



# City of Miami Gardens, Florida Annual Operating Budget



FY 2014 - FY 2015

The New City Hall Complex was completed and occupied on May 12, 2014.  
A grand opening of the City Hall was held on June 2, 2014.



## *City Council*

**Honorable Oliver Gilbert III, Mayor**

**Felicia Robinson, Vice Mayor**

**Lillie Q. Odom, Seat 1**

**Lisa Davis, Seat 2**

**Rodney Harris, Seat 3**

**Felicia Robinson, Seat 4**

**Erhabor Ighodaro, At Large**

**David Williams Jr., At Large**

## *City Manager*

**Cameron D. Benson**

## *City Attorney*

**Sonja K. Dickens, Esq.**

## *City Clerk*

**Ronetta Taylor, MMC**

## *Executive Staff*

**Vernita Nelson, Assistant City Manager**

**Craig Clay, Assistant City Manager**

**Patricia Varney, C.G.F.O., Finance Director**

# *City of Miami Gardens, Florida*

## **Vision Statement**

*The mission of the City of Miami Gardens, Florida, is to enhance the quality of life through the efficient and professional delivery of public services. We are committed to fostering civic pride, participation and responsible development for the community.*

## **Mission Statement**

**The City will deliver superior services designed to enhance public safety and quality of life while exercising good stewardship through open government and active civic business and resident involvement.**

**Miami Gardens is and will be a vibrant and diverse City with a strong sense of community ownership, civic pride, abundant employment opportunities and cultural and leisure activities for its residents. We will provide continued economic viability through well planned, responsible and sustainable growth and redevelopment.**



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Miami Gardens  
Florida**

For the Fiscal Year Beginning

**October 1, 2013**

*Jeffrey R. Brown*

Executive Director



# Mayor and City Council



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# Table of Contents

<b>Table of Contents</b>	<b>7</b>
<b>City Manager's Budget Message for FY 14-15</b>	<b>8</b>
<b>Users Guide to the Budget Document</b>	<b>23</b>
<b>City Overview</b>	<b>25</b>
<b>Organization Chart</b>	<b>30</b>
<b>Authorized Positions</b>	<b>31</b>
<b>Budget Process</b>	<b>32</b>
<b>Significant Financial Policies</b>	<b>36</b>
<b>Budget Summaries Schedules</b>	<b>71</b>
<b>Budget Details by Fund</b>	
General Fund	89
Transportation Fund	140
Development Services Fund	154
Capital Projects Fund	163
Stormwater Fund	167
Debt Service Fund	170
<b>Budget Related Charts &amp; Graphs</b>	<b>171</b>
<b>CIP Program Overview</b>	<b>205</b>
<b>Financial and Non-Financial Goals</b>	<b>216</b>
<b>Performance Measurement</b>	<b>234</b>
<b>Statistical Section</b>	<b>235</b>
<b>Line Item budget Detail</b>	<b>249</b>
<b>Revenue Manual</b>	<b>295</b>
<b>APPENDICIES</b>	
Finance and Budget Glossary	413
Millage Resolution	445
Budget Adoption Ordinance	448
Property Appraiser 420	456



# *City of Miami Gardens*

*Office of  
The City Manager*

## **CITY MANAGER'S BUDGET MESSAGE FOR FY 2015**

Dear Mayor and City Council:

Presented herein is the City of Miami Garden's FY 2015 annual budget. In FY 2014, the City received approval from its voters to move forward with its first ever General Obligation Bond issuance. The Bond will support the expansion, renovation and remodeling of the City's park properties. Additionally, the Bond will assist in providing public safety improvements to make the City among the safest in Miami-Dade County. We are proud to announce the opening of the City's permanent home. The opening of the new City Hall complex is the first step in expanding the City's downtown. We will continue with our plans for sensible redevelopment and growth by moving forward with development on two parcels of land purchased by the City several years ago. The development of these parcels will support our mission to provide continued economic viability through well-planned, responsible and sustainable growth and redevelopment.

The last few years have been difficult for most municipalities. FY 2015 offers a glimmer of hope suggesting we are beginning to emerge from these difficult times and moving forward in addressing our residents' needs. Although we are pleased with the direction of the City's tax base, we will maintain our conservative approach to operations. We will continue to make sure every proposed spending item is consistent with the public purpose and consistent with upholding our vision and mission statements presented earlier.

### **The FY-2014-2015 Budget Process and the Principal Financial Challenges and Issues Facing the City**

Miami Gardens faces the usual municipal challenges found in other cities throughout the County and the nation. A key priority to our residents is the challenge of dealing with the ever present threat of crime. Our Police Department has a new Police Chief and along with his staff, they have done a credible job addressing crime



head-on. Our City now has a crime rate lower than Miami, Ft. Lauderdale, Orlando and St. Petersburg. Crime remains at the top of our residents' concerns and is addressed in the budget as our top funded municipal priority at almost 50% of total General Fund expenditures. One unique aspect of this problem is perception. The unincorporated Miami Gardens area historically had a reputation within the County as a high crime area. This reputation lingers, presenting a problem no longer justified. According to the latest Florida Department of Law Enforcement statistics released in 2013, Miami Gardens continues its success in reducing crime for the sixth straight year. The Table below represents selected cities having a higher Part I crime rate per 100,000 than Miami Gardens: Table #1:



**2013 Florida Department of Law Enforcement Statistics**

22 cities with a higher crime rate than Miami Gardens

City	Change in Crime Rate 2012 to 2013	Crime Rate Per 1,000 Residents	City	Change in Crime Rate 2012 to 2013	Crime Rate Per 1,000 Residents
Medley	-0.4%	267.1	Delray Beach	5.0%	58.2
Florida City	18.1%	139.2	Pompano Beach	-11.0%	57.6
Miami Beach	6.1%	117.4	Oakland Park	-7.1%	57.4
Opa Locka	2.5%	112	Wilton Manors	1.1%	57.3
Pembroke Park	-12.1%	77.1	Aventura	-0.9%	56.8
Orlando	-2.0%	75.1	Hallandale Beach	-2.0%	55.8
South Miami	5.3%	72.2	West Palm Beach	-11.8%	54
Lake Worth	13.7%	70.9	Dania Beach	-8.7%	52.2
Rivera beach	5.3%	66.4	<b>Miami Gardens</b>	<b>-2.6%</b>	<b>51.9</b>
Fort Lauderdale	-4.3%	65.3	Hollywood	-13.9%	50.5
Homestead	-3.4%	65	Miami Shores	-13.0%	49.5
St. Petersburg	5.1%	62.3	All Miami Dade County Avg.	-4.1%	49.2
Miami Beach	-5.8%	61.6	North Miami	-12.5%	47.1
Lauderadale Lakes	1.2%	61.4	North Miami Beach	-12.5%	47.1

As clearly demonstrated by the chart, Miami Gardens is nowhere near the top in violent crime in South Florida. This is the message our Chief is working to disseminate to the public and media organizations.

For FY-15, the County Property Appraiser, for the first time since FY 2009 reported an increase in the City's taxable value. The numbers reflect a 3.6% increase over the FY 2014 preliminary taxable value. This budget proposes the same millage rate as last year, 6.9363 mills. This rate will generate additional revenue of \$794,000 compared to FY 2014. Initially, the budget included an emergency fund of \$407,047, however due to the impact of the electric franchise fees the contingency is now reduced to \$7,722. With the millage of 6.9323, the City is required to have a 2/3 vote to adopt this proposed millage.

Table #2 below illustrates the change in the City's General Fund unencumbered/unreserved fund balance. From a 10.05% low in FY11, the projected fund balance for FY 2015 is within a level recommended by the Government Finance Officers Association and by the bond rating agencies, as financially sound.

<b>Unrestricted Emergency Reserve</b>	<b>Actual FY 09-10</b>	<b>Actual FY 10-11</b>	<b>Actual FY 11-12</b>	<b>Actual FY 12-13</b>	<b>Estimated FY 13-14</b>	<b>Estimated FY 14-15</b>
Year-End Reverted Funds	(\$2,766,736)	(\$1,118,666)	\$3,043,249	(\$1,038,155)	(\$2,200,000)	0
CITT Allocation to Emergency Reserve	\$0	\$0	\$3,224,314	\$0	0	0
Total Unencumbered Funds in the Reserve	\$6,447,650	\$5,328,984	\$12,823,884	\$11,785,729	\$9,585,729	\$9,585,729
Total General Fund Expenses	\$56,266,009	\$53,043,518	\$55,388,353	\$64,913,368	\$64,946,642	\$63,695,747
% Emergency Reserve	11.46%	10.05%	23.15%	18.16%	14.76%	15.05%

In FY 2013-2014 we are projecting a utilization of \$2.2 million from fund balance due to shortfall in revenue and unbudgeted expenses such as additional rental payments for the City Hall and employee payouts. No utilization of fund balance is proposed in the FY-2015 budget in the General Fund.

In FY 2014, the City budgeted a 2% Cost Of Living Allowance (COLA) effective April 1, 2014. However, in FY-2015, neither a COLA nor a merit increase is included in this proposed budget. It is the Administration's intention to review carefully our financial position this year to examine the possibility of reinstituting pay adjustments in the future. This budget also includes various personnel adjustments included in Table #3 below:

**Table #3(a) : FY-15 Positions eliminated**

<b>Position</b>	<b>Savings</b>
I.T. Help Desk Assistant	\$48,643
School Crossing Guard Superintendent	61,820
Landscape Crew Worker - Parks Maintenance	42,405
Administrative Assistant - Recreation	51,051
Hours for Tutors	64,295
2 Planning & Zoning Staff	171,819
<b>TOTAL SAVINGS</b>	<b>\$440,033</b>

**Table #3(b) : FY-15 Positions Frozen From Hiring**

<b>Position</b>	<b>Savings</b>
Capital Projects Director	126,317
Landscape Crew Worker – Parks Maintenance	39,100
<b>TOTAL SAVINGS</b>	<b>\$165,417</b>

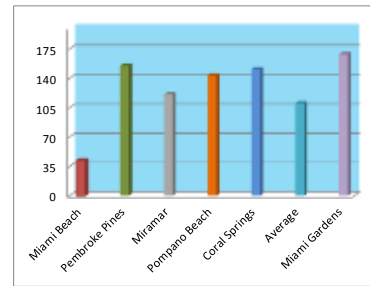
The City of Miami Gardens operates on a lean staff. Based on Chart 1 below, it is clear the City has one of the lowest Staff-to-Resident ratios of any City our size: far below the average. Despite this ratio, staff still operates efficiently while providing solid services to our residents. The City's FY 2015 budget reflects the funding necessary to

continue moving forward on our vision for Miami Gardens and to provide for the continued fiscal vitality of the City.

**Chart #1: Residents per Employee**

Number of Resident  
Per Employee

(The higher the  
number, the fewer  
employees)



As your City Manager, it is my belief we are well on our way to fulfilling the promises we have committed to our residents. As we move the City forward together, we understand there will always be challenges. Our job is to move past those challenges and provide services to our children, families and seniors in the most effective way we can. It will be our energy, passion and commitment in making our residents proud of the City where they live, work and play.

## GENERAL FUND

### Budget Priorities

FY-2014's most visible accomplishment was the completion of the construction on the City's new City Hall complex on NW 27<sup>th</sup> Avenue. It is expected the Police Headquarters, directly adjacent to City Hall, will be completed in April 2015. Although we do not have any trends to analyze, we have estimated about \$798,791 for the operation of the City Hall complex this year which includes operating cost for electricity, water and maintenance of the buildings. Rent and utility costs in the old building was approximately \$878,000. These estimates are included in this proposed budget.

FY-2015 will include the beginning of citywide recreation and public safety improvements as a result of the passage of the General Obligation Bond previously mentioned.

### Major Revenues

In building a budget, we usually look at revenues first. This is what we currently know about FY-15 revenue:

- **Ad Valorem or Property Tax:** Ad valorem or property taxes are taxes levied against the taxable value of real and certain personal property. In Miami-Dade County, each municipality sets a tax rate based on its needs and levies this as a dollar cost per \$1,000 of taxable value. Our FY-14 tax rate was 6.9363 mills. The FY-14 City final taxable value provided by the Property Appraiser Office in July 2014 was \$3.324 billion; this reflected a decrease of

\$145.5 million, or -4.4% compared to the preliminary taxable value we used to adopt the budget last year. Using the new July 1 taxable value, our roll back millage rate is 6.3882 mills which would generate \$959,000 less in taxes. This budget is balanced at the current millage rate of 6.9363 which includes an emergency fund of \$7,722.

- **State Revenue Sharing:** Created by the State of Florida to ensure revenue parity among local governments statewide, State Revenue Sharing is comprised of various State-collected revenues including a portion of the State's sales and gas taxes. As of July 2, 2014, the City received State projection for State Revenue Sharing and Half Cents Sales Tax. Projection for FY 2015 for all three revenues is \$13.26 million a slight increase of \$257,934
- **Utility Franchise Fees:** Franchise fees are locally levied taxes designed to compensate the municipality for allowing private utility businesses to use the City's rights-of-way to conduct their business. The Utility Franchise Fee is economy-based revenue. As an area's growth increases, so does the revenue. They are also affected by weather, especially electric and water. In August 2014 the City was informed by Miami-Dade County the electric franchise fee for FY 2014 will be \$1 million less than FY 2013. This is attributed to the operations of the reactor at the Turkey Point Power Plant which increased the Personal Property Tax paid by FPL. The value will increase in FY 2015 as well and the City will experience another \$300,000 reduction in franchise fees. Our projection for electric franchise fee in FY 2015 is \$1.8 million compared to \$3.1 million received in FY 2013. Natural gas franchise fees are collected by Miami-Dade County on our behalf and remitted back to the City. We expect Natural gas Franchise fees to remain steady.
- **Utility Taxes:** Utility taxes are paid by the utility customer as a percentage of their bill for using the various utilities services – water, sewer, electric and communications. These taxes are collected by other local governments and remitted to the City. The portion remitted to the City by the Miami-Dade Water-Sewer Department is net after the City's portion of a past General Obligation Bond payment is deducted (QNIP Bond). The cities of North Miami Beach and Opa Locka are the other utility providers in Miami Gardens. The budget for FY 2015 is approximately the same as the FY 2014 projected receipts for year-end. However, when compared to the FY 2014 budget amount for electric utility taxes, FY 2015 reflects an increase of approximately \$600,000 due to the year-to-date trend.
- **Half-Cent Sales Tax:** The Half-Cent Sales Tax is levied as a percentage of the retail sales price on all goods and many services purchased in the private sector. For Miami-Dade County, the tax rate is 7%. This tax is collected by

the State of Florida and allocated to cities and counties by statutory formula based largely on population rather than point-of-sale. Based on the current economic situation, the City of Miami Gardens expects to receive \$7,608,902 from this source in FY-15. This is approximately \$102,506 more than FY-14.

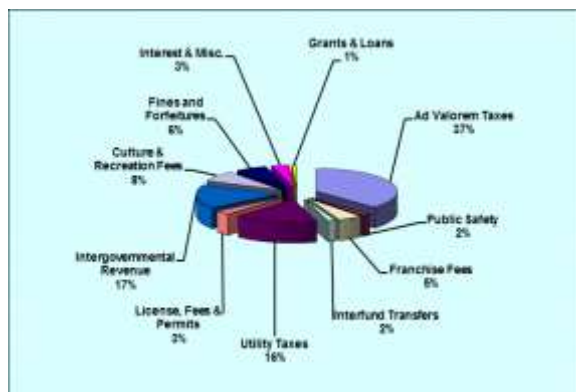
- **Other Local Revenues:** Locally derived revenues form a major component of our City budget. These revenues include business tax licenses, alarm and landlord permits, certificates of use, parks and recreation fees, interest earnings, other operational revenues, and fines and forfeitures. Some of these revenues are collected by the County, while others are directly collected by the City.

Many local revenues are population sensitive and we believe they will remain fairly steady for the coming year. The total of other local revenue is estimated at \$13,739,812 or a decrease of 7% over the FY-14 budget. The decrease is attributed to red light camera fines and traffic fines. In FY 2014, it was projected traffic fines would generate \$525,000, however year-to-date revenue is only \$193,507. Red Light Camera fines for FY 2014, when compared to the same period of time for FY 2013 was \$396,218 less, and the projection for the Red Light Magistrate fines are also much lower than expected. In FY 2015 staff will be working with the Florida Department of Motor Vehicles to collect some of the delinquent red light camera fines. Also for FY 2015, staff has worked on various revenue enhancements including an agreement with Clear Channel Outdoor to relocate and reconstruct various billboards throughout the City allowed under Florida Statue 70.20. The agreement will provide an additional revenue of \$195,000 through permitting fees and an annual fees paid by the sign owner (Clear Channel Outdoor).

The above represents 97% of total General Fund Revenues. The remaining 3% of revenues include items such as internal service charges, and miscellaneous state and County-shared revenues.

Chart #2 below, depicts the breakdown of the various revenue types as a percentage of total General Fund revenues by general revenue type.

**Chart #2: General Fund Revenues for FY-15**

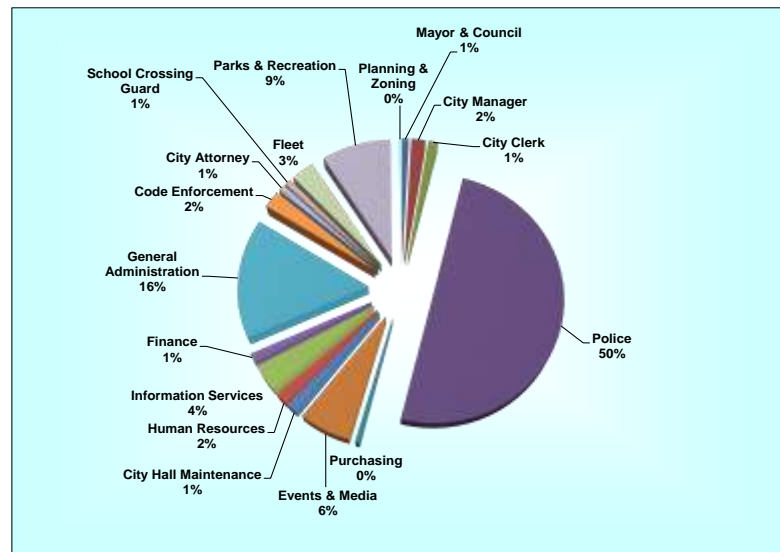




## Expenditures

The other side of constructing a budget is expenditures. Usually, the largest of these are employee-related costs such as salaries and benefit expenses. The City has not budgeted a COLA in the FY 2015 budget. The Florida Retirement System's implementation of a mandatory 3% retirement contribution by the employee continues. This budget provides partial funding of an additional 10 police officers of the new COPs grant the City was awarded in FY 2013 as well as the additional 10 new police officers awarded in FY 2014.

**Chart #3: General Fund Expenditures for FY-15**



## Transfers

Transfers represent internal transactions between budget Funds. Transfers may appear as revenues or expenditures, depending on whether a Fund is making or receiving a transfer. One of the largest of these transfers is the General Fund administrative charge to non-General Fund activities. This charge is based on actual past usage of General Fund assets (personnel, finance, legal, management and legislative support, purchasing, fleet and information technology, etc.) and is charged to the Transportation Fund, Development Services Fund, the Capital Improvements Fund and the Stormwater Fund. The Debt Service Fund also accepts transfers for bond payments based on actual debt service attributable to each fund's usage of bond proceeds.

## Changes in the FY 15 Budget

The following areas involve major changes over the FY-14 budget.

- **Equipment.** Funding is provided in the amount of \$93,000 for servers replacement and Eco Tracking System in the amount of \$6,550.

- **Operating Expenses.** Included in the FY 2015 budget are the maintenance costs of the new City Hall Complex. This cost is the best estimate from staff at this time. We will monitor these expenses carefully to adjust the estimate as necessary.
- **Personnel.** The budget provides for a net decrease of funding for 10.5 positions to 534.7 F.T.E. personnel. As for other positions, the City will continue to evaluate and only replace any vacant positions if they are critical to operations.
- **Contract service.** The Planning Division was transferred from Development Services Fund to General Fund in FY 2015 in accordance with Florida Statute. The FY 2015 budget is proposing to contract out this service and retaining one staff. It is proposed that revenues to be generated will cover the costs of the contractual service as well as the staffing.

### **General Fund Summary**

The FY 15 budget provides what is believed to be the essential level of City operations necessary to responsibly carry out duties and mission of the City, to address our fiscal and fiduciary responsibilities, and provide the foundation for the vision our residents had when they incorporated. It is believed we will be able to operate effectively for the coming year. The City of Miami Gardens remains one of the lowest taxed cities of its size in the Miami-Dade or Broward County areas. Despite what we see happening around us in terms of layoffs and other drastic budgetary actions, Miami Gardens remains financially strong and continues to provide essential services to our residents.

## **TRANSPORTATION FUND**

As a result of the C.I.T.T. settlement in FY 2012, Finance has established three separate C.I.T.T. budget divisions: 1) For deposit of the settlement monies. These funds have less restrictions on them than will the routine allocation the City will receive in FY-15, thus they need to be accounted for and used separately. They still must be for transportation uses. 2) The City established an operating Division for the regular C.I.T.T. funds in October 2012. These will have the same restrictions on their use as applicable to other Miami-Dade cities. 3) The third operating Division is for C.I.T.T. transit-restricted funds. These must be used to further transit within the City or the funds must be returned to the County. Staff is currently working toward establishing an in-City circulator to help transport people to major City destinations without having to transfer to County transit two or three times. This would link major retirement populations with shopping and recreational opportunities.

### **Revenues**

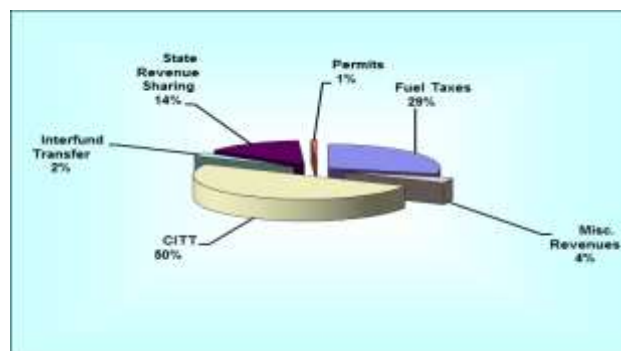
The Transportation Fund has four principal sources of operating revenue. Two of these are local gas taxes enacted by the County and State and shared with the

municipalities. The First Local Option Gas Tax is a 6-cent per gallon levy by the County Commission. This source is expected to bring the City \$1,509,517 in revenue for FY-15, nearly the same as the FY-14 budget. This estimate is provided by the State. The Second Local Option Gas Tax is also estimated by the State. This 3-cent per gallon tax allocation to the City is expected to be \$580,000 for FY-15.

The third major revenue source in the Transportation Fund is State Revenue Sharing. State Statutes require 26% of all City allocated State Revenue Sharing be used for transportation expenses. The other 74% is revenue to the General Fund. State Revenue Sharing for transportation purposes is estimated by the State at \$1,015,775 for FY-15.

The fourth major revenue is the County's Transportation Surtax which the City will be receiving on a monthly basis in FY 2015. It is estimated to be approximately \$3.63 million a year.

**Chart #4     Transportation Fund Revenues by Percentage**



### Expenditures

Because almost all of the activities of the Public Works Department concern roads and rights-of-way, the entire operation of the Public Works Department is budgeted within the Transportation Fund. The only public works-type activity not funded in the Transportation Fund is the City's stormwater activities. These employees are housed in public works and work under the supervision of Public Works but are funded from the City's Stormwater Utility Fund.

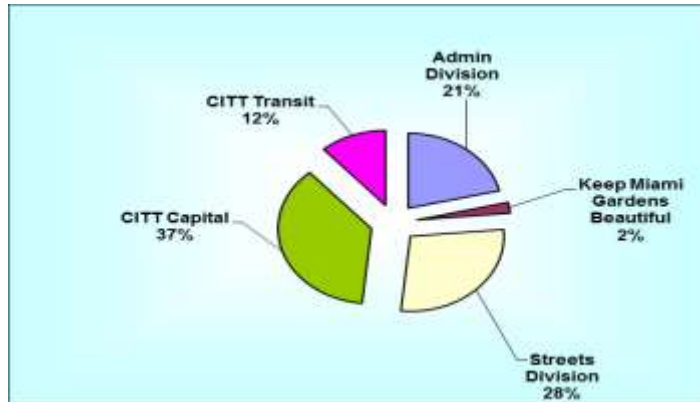
The *Keep Miami Gardens Beautiful* (KMGB) program continues to operate at the same level as FY 2014; with funding from C.I.T.T. will continue to enhance their tree planting efforts, especially in rights-of-way. KMGB has had an extremely successful year working with community groups to enhance the looks of many neighborhoods. KMGB has been very aggressive



*Keep Miami Gardens Beautiful performing landscape beautiful project.*

in seeking sponsors and grants to maintain and enhance their program success. In FY-14 the City received the national Tree City designation for the seventh straight year. The Division works extensively with local schools for its Earth Day and other environmental programs.

**Chart #5: Transportation Fund Expenditures by Division**



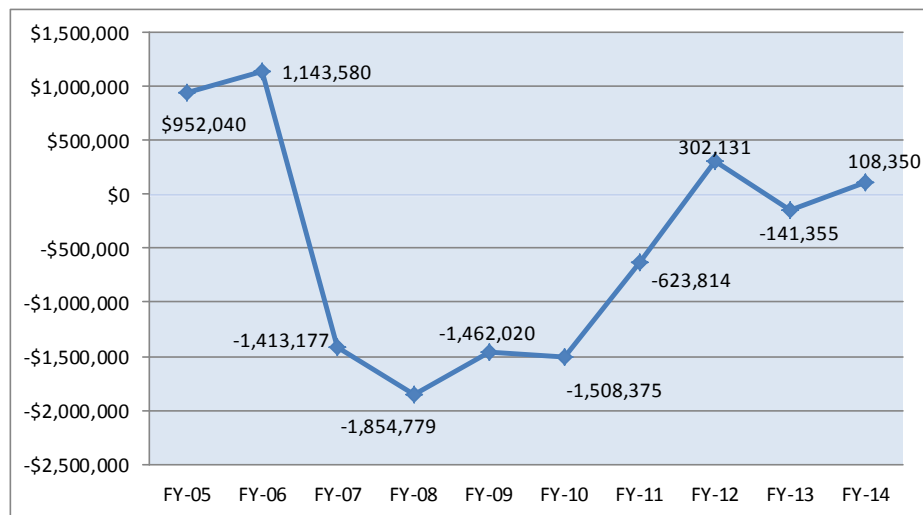
## **DEVELOPMENT SERVICES FUND**

The City's Development Services Fund was created to account for those activities principally designed to serve the City's development community. The Fund in past years consisted of the two operating Divisions: The Planning and Zoning Services Division and the Building Services Division within the Department of Building and Code Compliance. In FY 2015, the Planning and Zoning Services Division is being transferred to the General Fund in accordance with the Florida Statute.

The Building Services Division of the Department of Building and Code Compliance is responsible for administering the State of Florida Building Code. Its activities include development plan review, building inspections during construction and unsafe structures enforcement.

**Revenues:** In the past, this fund has required major subsidies from the General Fund. The transfers total \$4,448,285 from FY 2008 to FY 2010. For FY 2014, the Finance Department is projecting a surplus of \$108,350 based on certain development projects acquiring permits to be issued before September 30, 2014. The budgeted revenues are \$1,859,475 which we anticipate will breakeven for FY 2015.

**Chart 6: Deficit/Surplus in the Development Services Fund**



## STORMWATER UTILITY FUND

Operation of the City of Miami Gardens Stormwater Utility was assumed from Miami-Dade County in March 2007. For FY-15, the Department has thirteen (13) employees with one employee being transferred to the Transportation Fund.

The City has been successful in receiving a number of grants to supplement City funds for stormwater projects. A top priority for FY-15 will be to begin and complete several grant projects awarded by the State.



*Street Flooding in Coconut Cay after a 2" rain event.*

The City's Stormwater fee is currently \$4 per month for each Equivalent Residential Unit (ERU), or approximately 1,500 square feet of impervious surface. This fee has not been increased in 23 years.

### Revenues

One-hundred (100%) percent of the operating revenue for the Stormwater Utility comes from the Stormwater Utility Fee. In FY 2013, staff proposed to the City Council to utilize the "uniform method of collection" which allowed the fee to be billed under the ad valorem tax bill as an assessment instead of through utility billing. This method will provide better accountability of billing which will include vacant properties without utility services, as well as, the collection of any delinquent amount collected through tax sales. There are approximately 77,000 ERUs in Miami Gardens and a projection of \$3.58 million in revenues is anticipated.



### Expenditures

Expenditures in the Stormwater Utility involve operations and projects. For FY 2015 these include neighborhood drainage improvements in the Vista Verde areas, N.W. 24 Ave., as well as, smaller improvements throughout the City. It includes canal cleaning, swale preservation, street cleaning and storm drain cleaning.

## **SPECIAL REVENUE FUND**

The Special Revenue Fund was established in FY-06 to assist in the accounting for and tracking of certain revenues coming to the City with restricted uses. These include parks and police impact fees.

## **CAPITAL PROJECTS FUND**



*North Dade Optimist Center grand opening ceremony on August 29, 2014*

The City has been very successful in securing outside financial commitments for its future capital projects. Most capital-related grants are accounted for in this fund. The FY-15 budget includes a transfer of \$5,123,069 from the General Fund to the CIP Fund.

### Revenues

Revenues in the Capital Project Fund generally consist of four types: grants, bonds, transfers from operating departments and interest earnings. The major project for the Fund in FY-15 is the completion of Police Headquarters. The \$60 million bond for improvements of Parks and Recreation facilities and the purchase of crime prevention equipment will take place in FY 2015. Once the improvement projects are approved by Council, staff will begin to develop the costs and incorporate into the FY 2015 budget.

### Expenditures

There are four employees budgeted in this fund: a Capital Projects Director, two projects managers and one administrative position. The Capital Projects Director position will be frozen in FY 2015. Many of the capital projects are multi-year projects. The funds for previous scheduled projects are carried over to the subsequent year's budget until used or released.

## **COMMUNITY DEVELOPMENT BLOCK GRANT FUND**

In our Neighborhood Stabilization grant program, we continue work on the foreclosed homes purchased in FY-10 and FY-11. Under this program, these homes are being renovated and sold to eligible first-time homebuyers. Additionally, we have allocated a

portion of this funding to a future multi-family elderly housing development located on the corner of N.W. 207 Street and N.W. 27 Avenue, known as the Commons. Our CDBG program will see a slight reduction in funding from the Federal government in FY-2015.

The City is designated an entitlement City for the purposes of receiving Community Development Block Grant funds from the United States Department of Housing and Urban Development (USHUD). The City was notified our allocation For FY-15 will be \$999,851. This is a slight reduction from FY2014.



*Neighborhood Stabilization Project Before & After*

Projects and programs in the CDBG Fund are based on the priorities established by City Council in the yearly Action Plan as approved by USHUD.

## **DEBT SERVICE FUND**

In FY-09, the City established a consolidated Debt Service Fund from which all bonded debt and capital lease payments are made. Individual operating funds transfer their proportionate share of such debt through the budgetary process. This fund provides the public with a quick view of the City's outstanding debt obligations in any particular year.

## **BUDGET SUMMARY**

The continuing impact of the nationwide recession had a significant affect not only on the activity level of the City's planning and building Departments, but on the balance of City operations as well. Dealing with this issue has been challenging to say the least, but we are moving forward.

FY-14 marked the completion of several projects: the completion of the North Dade Sports Complex and the opening of the new City Hall complex. Challenges for FY-15 include completing construction and moving Police operations to the new Police Headquarters complex, dealing with Legislative mandates and moving forward with the implementation of the projects contemplated in our General Obligation Bond.

### **Taxes and Taxpayers**

Of interest to almost any taxpayer reading the budget is “how does this affect me?” The good news is Miami Gardens remains one of the lowest taxed major cities in Miami-Dade or Broward counties (see Table #6 below). Table #6 below illustrates the relative tax burden on residents of Miami Gardens as compared to surrounding cities. The per capita tax burden is the amount each resident pays on the average. When looking at your tax bill, it is important to remember only 30.2% of your tax bill goes to the City of Miami Gardens; 69.8% is designated to: Miami-Dade County, the School Board, the County Fire District and to several other special taxing districts. The City tries hard to get the most from each tax dollar.

**Table #5 Comparative Tax Burden, Selected Miami-Dade Cities\***

City	Population	Tax Rate in Mills	Per Capita Tax Burden
Miami Beach	90,097	6.1163 mills	\$1,674
Miami	412,326	8.4310 mills	\$669
North Miami Beach	42,113	7.7052 mills	\$319
North Miami	60,313	7.9336 mills	\$274
<b>Miami Gardens**</b>	<b>107,399</b>	<b>8.2363 mills</b>	<b>\$264</b>
Hialeah	227,395	6.3018 mills	\$193

\* FY 2014 Adopted Millage Rates with the exception of City of Miami Gardens

\*\* Miami Gardens is calculated based on the proposed rate for FY 2015 which also includes the Debt Service Millage of 1.3 Mills

Another question often asked is: “Is the City borrowing too much and putting us in debt?” Below are the two key statistics used to evaluate whether a city is borrowing too much. The first, TABLE #6, is the City’s Taxable Value-to-Debt Ratio. A ratio of 0.0 to 3.0 is considered low; 3.0 to 6.0 is considered moderate; and above 6.0 is considered high. In spite of our many start-up costs, the construction of the City Hall and the \$60 million General Obligation Bond, the City’s ratio is at the low end of the moderate spectrum.

**Table #6 General Fund Debt to Taxable Assessed Value Ratio (Includes \$60M GO Bond)**

	<u>Taxable Assessed Value</u>	<u>Bonded Debt</u>	<u>Debt Ratio</u>
<b>Miami Gardens</b>	<b>\$3,444,897,103</b>	<b>\$ 140,141,394*</b>	<b>4.0 %</b>

\* This amount includes the \$60,000,000 General Obligation Bond issued in July, 2014. Also assumes the sale of the two economic development properties owned by the City by September 30, 2014 and payoff of the two taxable bonds.

Another recognized measure of whether a City is carrying too much debt is the per capita debt ratio. In the table below, we have a relatively low per capita debt burden.

**Table #7 Debt Burden Per-Capita Florida Cities Over 100,000**

City	Debt Per Capita	City	Debt Per Capita
Gainesville, Alachua County	\$9,050	Pembroke Pines, Broward County	\$2,388
Tallahassee, Leon County	\$5,690	Tampa, Hillsborough County	\$2,321
Port St. Lucie, St. Lucie County	\$5,670	Clearwater, Pinellas County	\$2,124
Cape Coral, Lee County	\$5,356	Miramar, Broward County	\$1,853
Fort Lauderdale, Broward County	\$5,050	Miami, Miami-Dade County	\$1,664
West Palm Beach, Palm Beach County	\$4,018	St. Petersburg, Pinellas County	\$1,598
Orlando, Orange County	\$3,656	Palm Bay, Brevard County	\$1,400
Jacksonville, Duval County	\$3,201	<b>Miami Gardens</b>	<b>\$983</b>
Hollywood, Broward County	\$2,424	Coral Springs, Broward County	\$588

**2013 City's Financial Statement**

In conclusion, I want to thank the Mayor and City Council for your continuing support regarding the initiatives of the City Administration.

Certainly, it is our hope through positive change we are able to effectuate an improved organization regarding services for the residents of the City of Miami Gardens.

As your City Manager, it is encouraging having an opportunity to serve this City called Miami Gardens. It is an honor to be a part of the Miami Gardens Team and I want to thank the Mayor and City Council for the opportunity to serve you and the proud residents and business owners of the City. It is a privilege to work day in and day out with staff members willing to take the extra step ensuring essential services are being provided throughout the City on a daily basis – I truly appreciate each and every employee's efforts.

Finally, I applaud Assistant City Managers Craig Clay, Vernita Nelson and Finance Director Patricia Varney for their input and assistance in preparation of the Budget and supporting documents for the City.

The City of Miami Gardens is truly moving forward in a positive direction.

Respectfully Submitted,



Cameron D. Benson  
City Manager

# Users Guide to the FY 14-15 Preliminary Budget Document

## **The Budget**

The budget is the spending plan for all financial resources available to the City. Through these resources, services are provided that attempt to meet the needs and desires of Miami Gardens' residents. The City Council and City staff responds to the community's needs in large part through the budget. It balances not only revenues and costs, but also actualizes community priorities and desires. The preliminary budget document is divided into sections as outlined below. Each section provides the reader with important information on the City and its spending priorities. A glossary is provided at the end of the document so that readers can easily find the definition of unusual or unfamiliar words and acronyms.

## **Table of Contents and Users Guide to the Budget**

This introductory section is designed to familiarize the reader with the City of Miami Gardens and the budget process itself. Governmental budgeting can be a confusing maze of actions, deadlines and legal requirements. This section provides the reader with an overview of the process and summaries of the critical policy issues that drive the budget.

## **City Manager's Budget Message**

The Charter of the City of Miami Gardens charges the City Manager with the preparation of the City's annual budget. The Manager's budget message contains a summary of the upcoming budget and the issues and challenges faced in its development. It also presents an overview of the budget format and a detailed explanation of property taxes as they apply to Miami Gardens.

## **Fund and Departmental Detail**

This section comprises the heart of the proposed budget. Divided by fund, each section presents a detailed summary of expected revenues and expenditures by department and operating division, including historical information about each revenue source and proposed expenditure line item for personnel, operating and capital expenditure line items. At the end of each Fund detail, there is a Fund summary. The historical data provides the reader with a good view of trends and assists in developing meaningful projections.

In addition to the financial data, the section provides a brief narrative description of the duties and responsibilities of each department and Fund, a listing of major accomplishments for the preceding year, and goals for the coming year. Also provided is a



staffing history for the department and an organizational chart. Finally, a millage equivalent has been calculated for each department in order to give the reader a different perspective on the cost of running the various operations.

## **Appendices**

### **1. FY 2014-2015 Revenue Manual**

The City's revenue manual provides all the information one needs to understand the various sources of revenue the City receives. Every revenue source is detailed including the legal basis, general definition, payment schedules, and a graphic history of the revenue.

### **2. Glossary**

Municipal finance and budgeting is at best, a bewildering process of terms, acronyms and processes. Even seasoned staff often finds it difficult to keep up with the latest terms and definitions. It is almost impossible for the lay reader of a municipal budget to fully understand all of the jargon. A Glossary is presented as a helpful guide for residents and others who are not familiar with government terminology.

### **3. Form 420, Tax Rate Resolution and Budget Ordinance**

This appendix consists of the principal approval documents used to establish the annual budget. The Form DR-420 is the required form to set the City's millage. It is sent to the County Tax Collector immediately after the adoption of the final tax resolution. The tax rate resolution is the document that actually establishes the tax rate for the coming year. It must be read and approved at two separate public hearings prior to adoption. The budget ordinance is the formal approval of the actual FY 14-15 operating and capital budget. This ordinance also must be approved at two separate public hearings prior to adoption. The ordinance adopts the actual appropriations for each fund and establishes the rules for budget administration.

## City Overview

The City of Miami Gardens, Florida, was incorporated on May 13, 2003, as the 33<sup>rd</sup> municipality in Miami-Dade County, and at a population of 109,200, is the county's third largest city after the cities of Miami and Hialeah. Located in North-Central Miami-Dade County, it stretches from I-95 and NE 2<sup>nd</sup> Street on the East, to NW 47<sup>th</sup> and NW57 Avenues on the West, and from the Broward County line on the North, to 151<sup>st</sup> Street on the South. The City comprises approximately 20 square miles.

Miami Gardens is a solid, working and middle class community of unique diversity. It is the largest predominately African-American municipality in the State of Florida, and boasts



*The arch at the entrance to the Sunshine International Business Park was built in 1964 and is 110' high. The City chose this highly identifiable landmark to be part of its official logo.*

many Caribbean residents. It is the home to the Miami Dolphins at Dolphin Stadium and to Calder Race Track. It has vibrant commercial corridors along the Palmetto Expressway serving as a central shopping district for the furniture trade, and along North U.S. 441 serving the automobile trade.

The City is blessed with a central location being midway between the cities of Fort Lauderdale and Miami, and is traversed by I-95, the Palmetto Expressway (SR 826), and the Florida Turnpike. It has rail access through the Florida East Coast Railway and the South Florida Tri-rail system. There are three high schools and two universities within the City.

The City provides various municipal services to its residents including police, planning and zoning services, building code services, public works, stormwater utility, community development, parks and recreation, code enforcement, and school crossing guards. Fire rescue services, sanitation and library services are provided by Miami-Dade County.



## Quick City Facts & Photos

Number of Residents	107,399
African-American	76.3%
Hispanic	22%
Other	4.6%
Number of Schools	
Elementary	18
Middle	4
High School	3
Colleges/Universities	2
Number of budgeted City Employees	
Total F.T.E. regular positions	537
Police, City of Miami Gardens	
Number of budgeted positions	274
Vehicular patrol units	128
Public Works	
Miles of Streets	350
Miles of Canal	10

Parks and Recreation:	
Number of parks	18
Playgrounds in City parks	11
Number of City Pools	5
Tennis courts	7
Basketball Courts	17
Special Recreation Facilities	3
Miami Gardens Community Center	
Dolphin Stadium	
Calder Casino and Race Track	
Libraries (County):	
North Dade Regional	1



*Lou Rawls Performing Art Center  
Florida Memorial University*



*Chapel at St. Thomas University*



*Calder Race Track*



*Dolphin Stadium*

## Structure of the Government Body

The City of Miami Gardens, Florida, operates under a Mayor-Council-Manager form of government. Elected officials include the mayor and six council members. There are four single-member, resident districts from which four council members are chosen, with the remaining two council members being elected at-large by citywide vote. The mayor is also

elected at-large. The citywide organizational chart, shown on page 45 of this book, displays the relationships between the various organizational units of the City government.

The Mayor nominates and the City Council appoints three staff members – The City Manager, the City Clerk, and the City Attorney. All other departments and employees report to the City Manager. As shown in the organizational chart, there is a deputy city manager and two Assistant City Managers who are responsible for overseeing the various departments.

## Population Projections

The future population of Miami Gardens was estimated using the shift-share approach and mathematical extrapolation method.

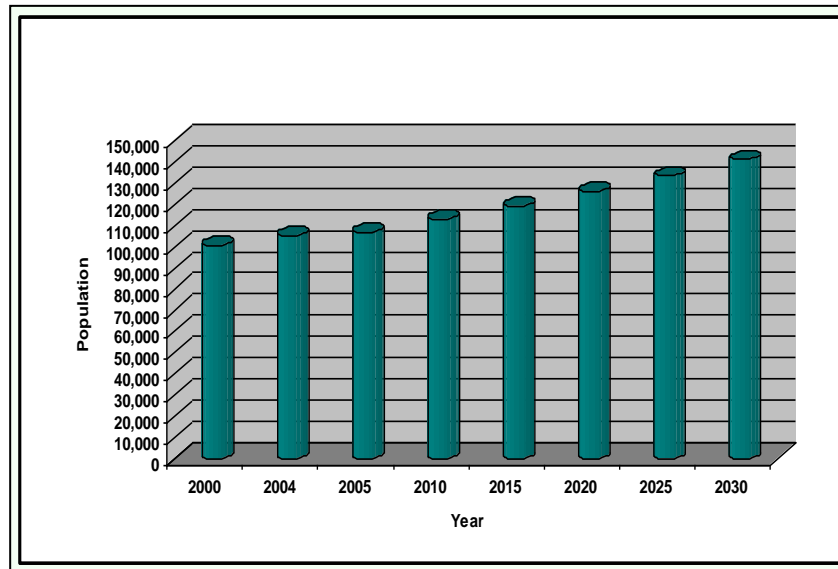
- This methodology utilizes statistical evaluation and analyzes the appropriateness of each extrapolation into the future, from a mathematical measure. It also looks at the extent to which a given extrapolation technique corresponds to the historic and estimated population perspective.
- The extrapolation technique assumes that Miami Gardens future population estimates would remain constant based on the growth rates at the 2000 Census level.

**Table #9: Population Estimates & Projections - Miami Gardens**  
**Per U.S. Census Data (2000- 2030)**

Year	Miami Gardens Population	Miami Gardens Estimated Growth Rate	Miami Gardens Actual Growth Rate
2000	100,809		
2004	105,414	4.57%	4.57%
2006	107,567	1.14%	2.05%
2007	109,200	1.50%	1.52%
2008	111,171	1.11%	1.81%
2013	107,147	-1.78%	-3.62%
2014	<b>111,402</b>	<b>4.00%</b>	
2020	<b>115,858</b>	<b>4.00%</b>	
2025	<b>119,333</b>	<b>3.00%</b>	
2030	<b>122,913</b>	<b>3.00%</b>	

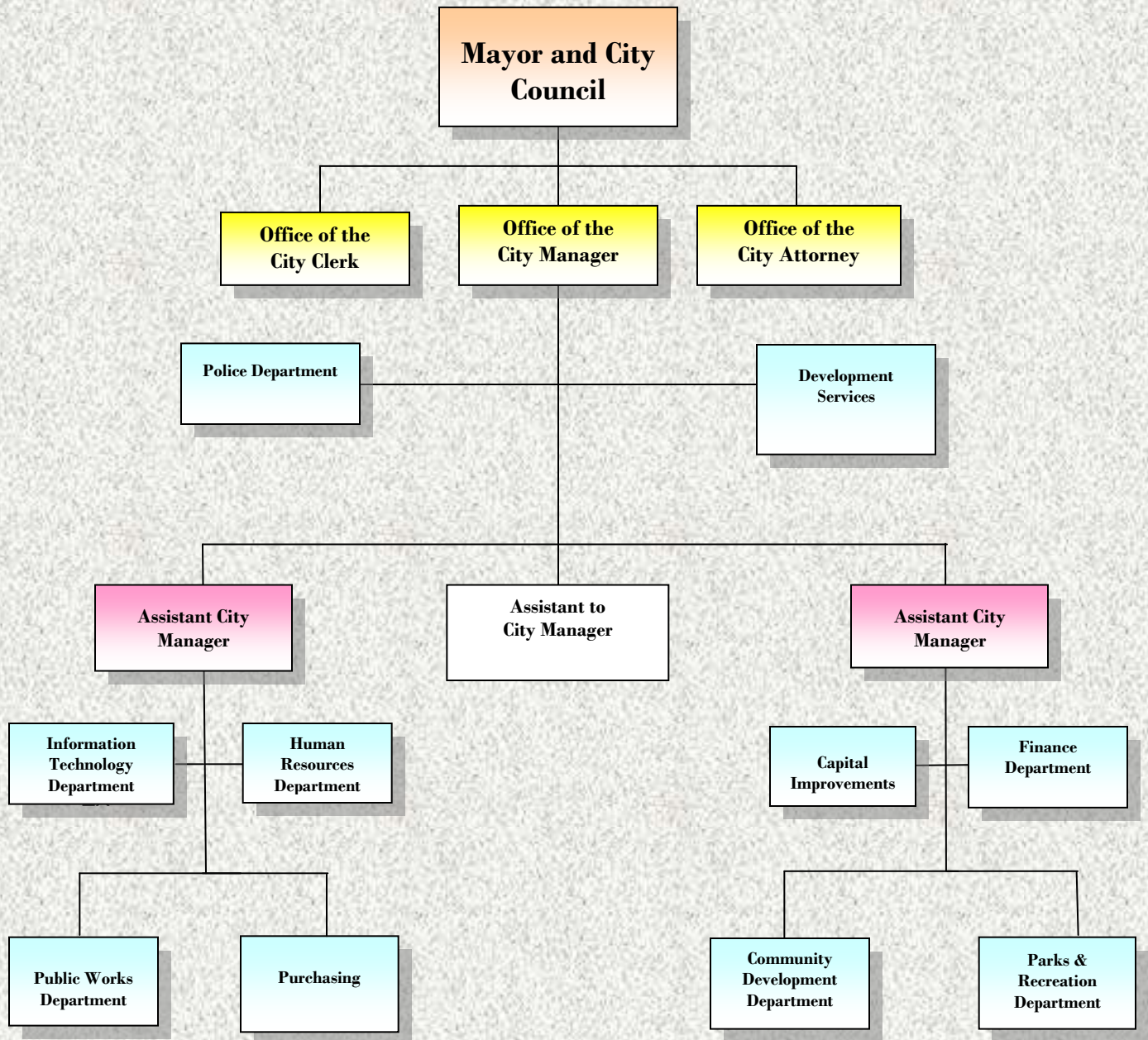
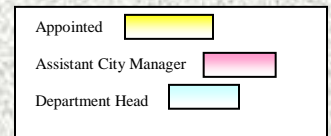


**Chart #10: Population Increase in Visual Format**



## Aerial Map of Miami Gardens





\* Fire Department is operated by Miami-Dade County not by individual municipality

## Summary of Authorized Positions

History of	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15
Positions by Fund/Dept	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE
<b>GENERAL FUND</b>													
Legislative	0	1	1.5	2	2	2	2	3	0	0	0	0	0
City Manager	0	5	5	5	8	9	9	10	9	7.5	7.7	7.2	7.7
City Clerk	1	1	2	2	2	4	4	4	7	7	7	8.5	9
City Attorney	0	0	0	0	0	0	0	3	3	3	3	3	3
Human Resources	0	2	3	3	7	8	9	9	9	8	8	9	9
Finance	0	0	2	4	7	7	7	7	7	6.5	7	7	7
Planning & Zoning			7	8	8	8	7	6	6	5	5	3	1
City Hall Maintenance	0	0	0	0	0	0	0	0	0	0	0	2	3
Code Enforcement	0	0	15	18	24	24	24	27	24	23	22.5	21.5	21.5
Law Enforcement	0	37	39.5	42	213.5	242.5	283.5	301	292	289.5	288.3	298.3	294.3
Parks & Recreation	0	0	20	119.5	110.5	104.5	106	119.5	105.5	96.2	96.05	93.4	88.42
Purchasing	0	0	2	2	2	3	4	4	4	4	4	4	4
Information Services	0	0	1	2	3.5	7	9	11	11	12	12	12	11
Fleet	0	0	0	1	2	2	2	3	3	3	3	3	3
<b>General Fund</b>	<b>1</b>	<b>46</b>	<b>98</b>	<b>208.5</b>	<b>389.5</b>	<b>421</b>	<b>466.5</b>	<b>507.5</b>	<b>480.5</b>	<b>464.7</b>	<b>463.55</b>	<b>471.9</b>	<b>461.92</b>
<b>TRANSPORTATION FUND</b>													
Administrative Division		0	3	3	3	5	4	4	4	3	4.3	4.3	3.3
KMGB Program Division		1	1.5	1.5	2	2	2	2	2	2	2	2	2
Streets Division		0	12	21	23	25	25	25	25	27	27	25	25
CITT - Capital		0	0	0	0	0	0	0	0	0	0	0	2.3
CITT - Transit		0	0	0	0	0	0	0	0	0	0	2	3
<b>Transportation Fund</b>	<b>1</b>	<b>16.5</b>	<b>25.5</b>	<b>28</b>	<b>32</b>	<b>31</b>	<b>31</b>	<b>31</b>	<b>32</b>	<b>33.3</b>	<b>33.3</b>	<b>33.3</b>	<b>35.6</b>
<b>DEVELOPMENT SVCS. FUND</b>													
Building Division			7	10.5	24	32	27.5	19	18	16.5	16.5	15.5	16.5
<b>Development Services Fund</b>	<b>7</b>	<b>10.5</b>	<b>24</b>	<b>32</b>	<b>27.5</b>	<b>19</b>	<b>18</b>	<b>16.5</b>	<b>16.5</b>	<b>15.5</b>	<b>16.5</b>	<b>16.5</b>	<b>16.5</b>
<b>CDBG Fund</b>													
CDBG Department					4	4	4	8	8	8	6.5	5	5
<b>CDBG Fund</b>					<b>4</b>	<b>4</b>	<b>4</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>6.5</b>	<b>5</b>	<b>5</b>
<b>CAPITAL PROJECTS FUND</b>													
CIP Operating Division					2	3	3	4	4	5	5	5	3
<b>Capital Projects Fund</b>					<b>2</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>3</b>
<b>STORMWATER FUND</b>													
Stormwater Utility Division					4	12	12	12	12	14	14	14.5	12.7
<b>Stormwater Fund</b>					<b>4</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>14</b>	<b>14</b>	<b>14.5</b>	<b>12.7</b>
<b>TOTAL CITY POSITIONS</b>	<b>1</b>	<b>47</b>	<b>121.5</b>	<b>244.5</b>	<b>451.5</b>	<b>504</b>	<b>544</b>	<b>581.5</b>	<b>553.5</b>	<b>540.2</b>	<b>538.85</b>	<b>545.2</b>	<b>534.72</b>

### Notes:

- (1) Administrative staff position transferred from Planning Division
- (2) Convert the part-time position to full-time position to provide administrative services to Councilmembers and to assist in passport processing
- (3) Transfer Facility Manager from Police Department to City Hall Maintenance
- (4) In addition to (2) eliminated School Crossing Guard Superintendent position; eliminated 2 Community Service Aide positions for internal promotions and reclassifications
- (5) Eliminate 1 Landscape Crew position and freeze one Landscape Crew position for FY2015 in Parks Maintenance and reduction of tutor hours
- (6) Charge 30% of City Engineer position from Stormwater, and transfer of Engineering Inspector positions previously from Public Works Admin. and Stormwater fund
- (7) Add Trolley Program Manager position
- (8) Transfer one employee to City Hall Maintenance Division and freeze the Capital Project Director position for FY 2015
- (9) Employees transferred to CITT as described in (5)

# Miami Gardens' 2015 Budget Process

## **Budget Process and Calendar**

A large portion of the budget process in Florida is statutorily driven as outlined in the timetable below. The formal budget policy can be at page 65, Financial Policies. Immediately following this timetable is the specific budget calendar for the City of Miami Gardens. Utilizing this timetable, the City Manager and his staff prepare a tentative budget for consideration by the Mayor and City Council. For Miami Gardens and the FY 14-15 budget, this process was challenging due to the total impact of the statewide property tax reduction, reduction in franchise fee, and one time refund of telecommunication taxes. Nonetheless, the process went forward and will conclude in the presentation of the preliminary budget at the July 25<sup>th</sup> City Council meeting.

## **The Planning Phase**

In October of each fiscal year, plans are set forth for next year's budget process by the City Manager; however, the actual budget formulation process began in March 2014. Prior to March, the City Manager and finance staff reviewed the GFOA comments from the prior year's budget and began developing the data necessary to address those comments and suggestions.

## **The Preparation Phase**

In March, the beginning phase of budget preparation involved staff preparing updates to the City's anticipated revenues and major equipment needs. This involved developing accurate projections of traditional revenues and estimating any new revenues expected in the subsequent year. Since Miami Gardens still has little, long term reliable revenue history for most of its revenues, it fell to staff to estimate these revenue streams as accurately as possible.

Also during this phase, staff began to develop expenditure profiles for each City department and operation. Again, as a relatively new City, this continued to be a difficult task. Having little or no experience in operating some programs (police for example), and receiving little historical information from the County, estimating proved to be a difficult task.

## **The Review Phase**

This phase involved the City Manager and the various department heads reviewing the submittals from their respective departments. Changes and updates were made to the

proposed revenue and spending levels based on overall City priorities and as a result of these one-on-one meetings. Matching proposed service levels with the necessary personnel and other resources was an on-going process that demanded considerable investigation and focus on the multiple missions.

Final refinements continued until the preparation of the tentative budget was completed and submitted to the Mayor and City Council for their consideration at the July 25<sup>th</sup> meeting.

### **The Adoption Phase**

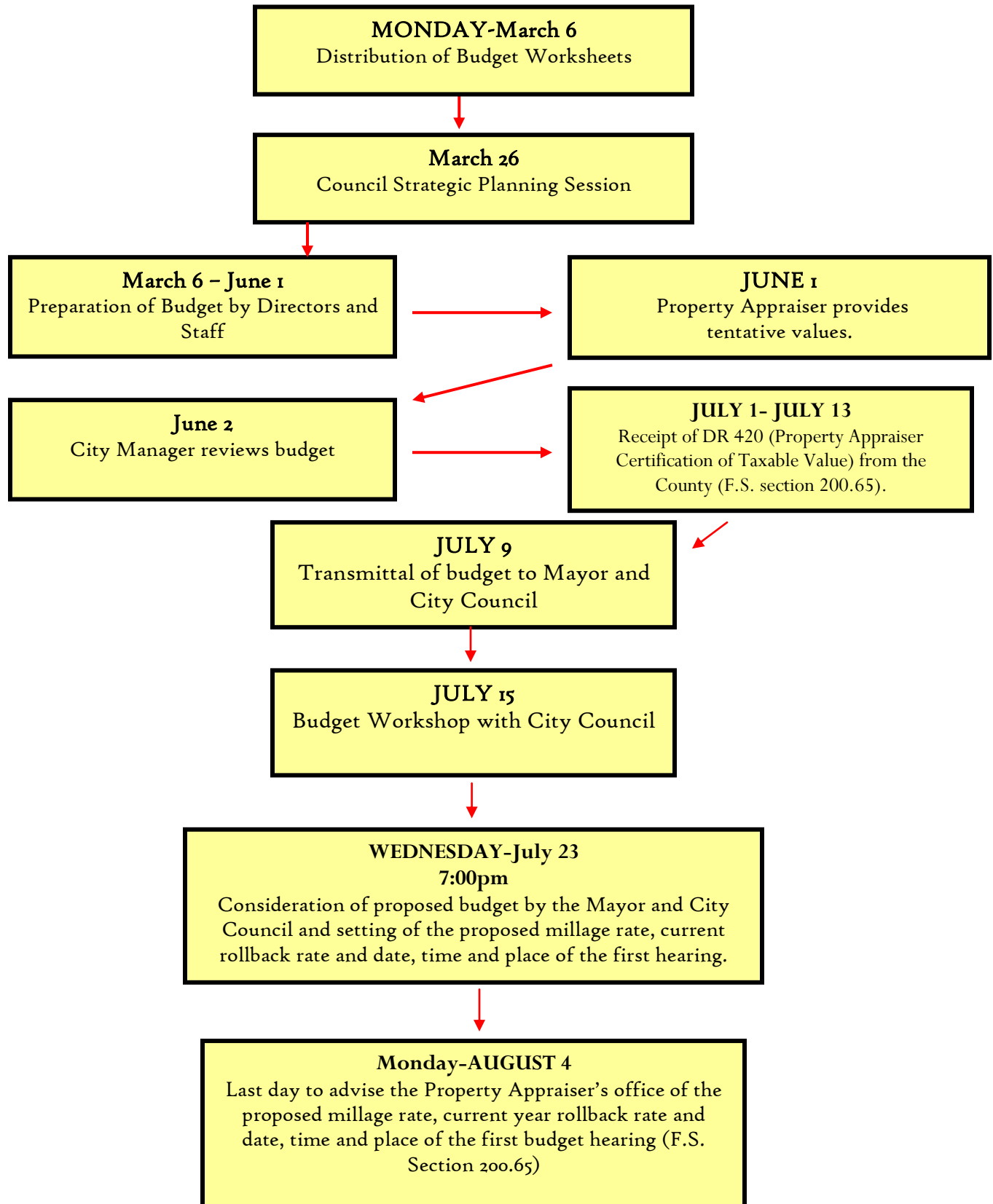
At their July 23<sup>th</sup> regular City Council meeting, a tentatively balanced budget is presented to the Council. At this meeting, which is open to the public, the City Council must adopt a tentative millage rate for the coming year. This is a requirement of state statutes. The adopted rate is then the maximum millage rate that can be included in the coming year's budget. The City Council may, at a later budget hearing, reduce the rate if it so desires, but cannot raise it above the adopted tentative rate.

At this July's meeting, Council will be requested to set the tentative millage rate at 6.9363, which is the current millage rate. State law requires that two formal public hearings be held in September and neither can conflict with the hearing dates established by the County School Board or the County Commission. The recommended dates are September 10<sup>th</sup> and September 22<sup>th</sup>.

Subsequent to the July vote, the Notice of Proposed Property Taxes, otherwise known as TRIM (Truth in Millage) notices, are prepared and mailed to taxpayers by the County Property Appraiser. Printed on the TRIM notice is the date of the first scheduled public hearing to adopt the tentative budget and the tentative millage rate. This meeting is recommended to be set for the evening of September 10, 2014. The purpose of the public hearing is to give the general public an opportunity to speak for or against the proposed budget and millage rate. At the end of the first public hearing, a date and time will be set for the final public hearing, this being recommended for September 22, 2014. An advertisement will then be prepared and placed in a local newspaper. This ad contains summary budget information along with the tentative millage rate and the tentative approved budget based on the first hearing. Also noted are the time, date and location for the final hearing.

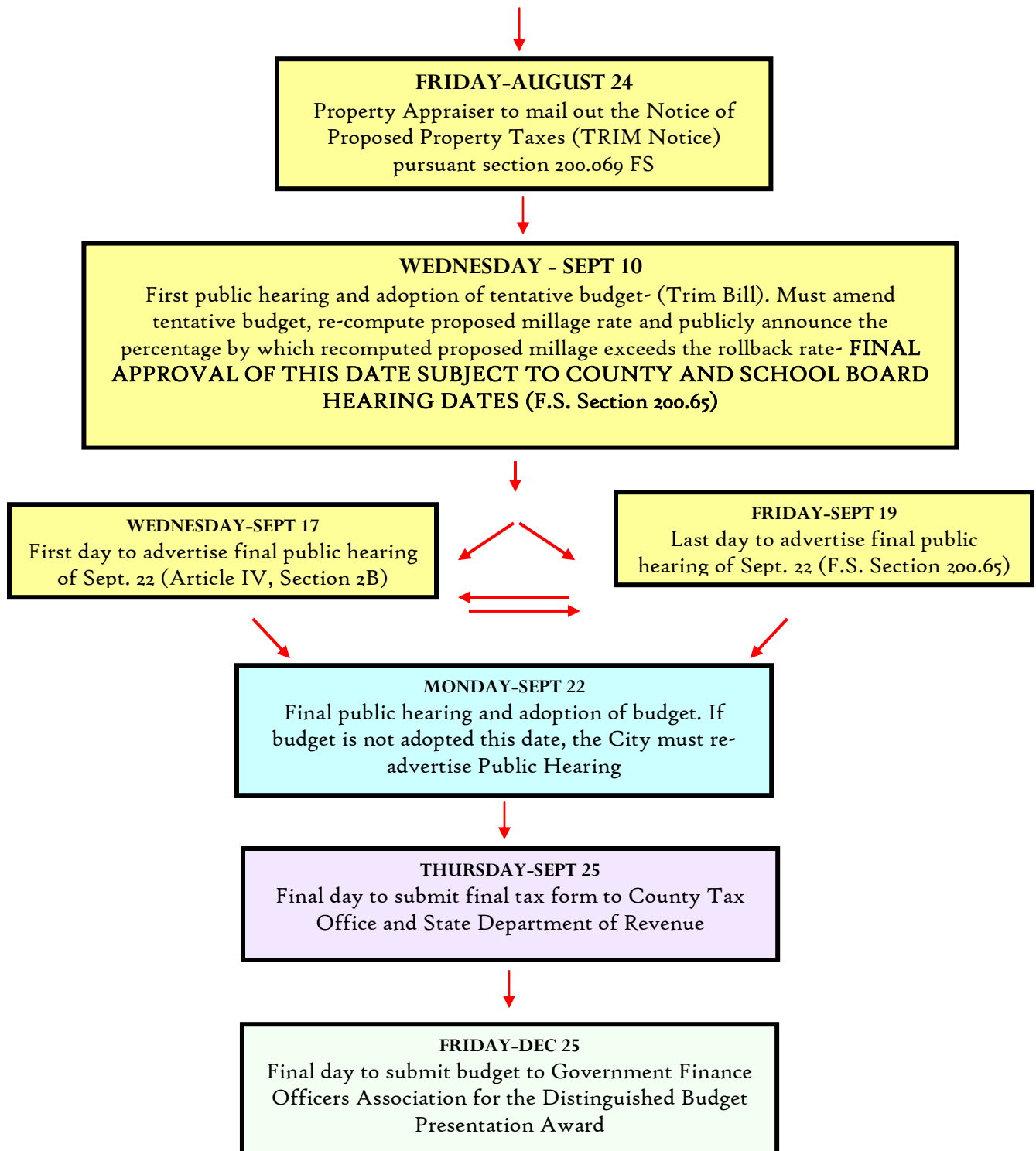
The purpose of the final public hearing is to once again give the general public an opportunity to speak for or against the budget and proposed millage rate. At this meeting, the City Council will adopt the final budget and millage rate. Within three days of that adoption, the City must notify the County Property Appraiser, County Tax Collector and the State Department of Revenue, of the adopted millage rate. Final tax invoices are mailed to property owners by the Tax Collector at the beginning of November. The budget is effective on October 1st of each year.

# FY 2014-2015 Budget Schedule





## FY 2014/2015 Budget Schedule (Cont'd)



## Significant Financial Policies

1. The annual operating budget of the City of Miami Gardens, Florida, shall balance the public service needs of the community with the fiscal capabilities of the City. It is intended to achieve those goals and objectives established by the City Council for the following fiscal year. Service programs will represent a balance of services, but with special emphasis on the City public safety, quality of life, and compliance with various state and federal mandates. Services shall be provided on a most cost effective basis. A balance between personnel and other classes of expenditures will also be achieved.
2. The City recognizes that its citizens deserve a commitment from their local government to fiscal responsibility, and that a balanced operating budget is the cornerstone of fiscal responsibility. Annual operating expenditures (personal services, contracts, commodities and supplies, and capital outlay) will be fiscally balanced with revenues or income estimates that can reasonably and normally be projected to be received during the fiscal year. New programs or changes in policies which would require the expenditure of additional operating funds will either be funded through reductions in existing programs of lower priority or through adjustments to fee rates, service charges, or taxes.
3. Requests for new or changes to programs or policies will be accompanied by an analysis of the short and long-term impact on the operational budget caused by such changed or new program or policy. When possible, a standard format using this procedure shall be routinely provided to the Council when requesting approval of each new or changed program or policy.
4. New programs, services, or facilities shall be based on general citizen demand or need.
5. The City shall prepare and implement a Capital Improvement Budget (CIP), consistent with state requirements, which shall schedule the funding and construction of projects for a five-year period. The Capital Improvement Budget shall balance the needs for improved public facilities, as identified in the City's comprehensive plan, within the fiscal capabilities and limitations of the City.
6. The City shall maintain its accounting records in accordance with generally accepted accounting principles (GAAP), applied to governmental units as promulgated by the Governmental Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB).
7. The City shall provide funding for public services on a fair and equitable basis, and shall not discriminate in providing such services on the base of race, sex, color, religion, sexual orientation, national origin, physical handicap or other non-merit basis.
8. Budgets for all City Funds and all other City expenditures, shall be under City Council appropriation control.
9. Inter-fund loans must be supported by a fiscally sound source of funds available for repayment.

10. Copies of the tentative and final budgets shall be provided at the North Dade Regional Public Library, posted on the City's website, and shall be available for inspection and copying at the office of the City Clerk. Copies of the tentative budget shall be provided at no charge at all public hearings and workshops.

## Balanced Budget

1. **Balance Budget Requirement:** The operating budget of the City of Miami Gardens shall be balanced using current year revenues to finance current year expenditures. Fund balances shall not normally be budgeted as a resource to support routine annual operating expenses. Fund balances may be budgeted as a resource to support capital, debt, or extraordinary major maintenance needs on a non-recurring basis, or as reserves to be carried forward. Under ordinary economic conditions, the use of fund balance forward should not exceed .25 mills equivalent.
2. Revenue projections will be based on an analysis of historical trends and reasonable assumptions of future conditions.
3. Revenue estimates will be made on a reasonable conservative basis to ensure that estimates are realized.
4. The operating budget will be prepared based on 95% of the certified taxable value of the property tax roll revenues.
5. The City will not use long-term debt to finance expenditures required for operations.
6. As early as practical in each annual budgeting cycle, the City Council shall give direction to staff as to the circumstances under which an ad valorem tax millage increase would be considered. Normally, such direction should be given in conjunction with the setting of a tentative budget calendar.
7. Fees should be collected on all City-provided services for which specific users may be readily identified and use may be reasonably quantified. The amount of the fee should be based on actual costs incurred in providing the services (or facility), and shall be reviewed at least biannually. The degree to which fees shall recover full costs shall be a policy determination of the City Council.

## Funds and Fund Types

Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. All Funds in Miami Gardens are appropriated. The various funds are grouped within three broad categories as follows:

- Governmental Fund Types:
  1. **General Fund (01)** - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.
  2. **Special Revenue Funds (10s)** – Special Revenue Funds are used to account for the proceeds from specific revenue sources (other major capital projects) that are legally restricted to expenditures for specified purposes. The City currently has three special revenue funds as described immediately below.
    - A. **Transportation Fund (10)** – The Transportation Fund is used to account for the revenues the City receives from the State-shared local option gas funds, and other revenues designated for transportation purposes. It is the operating fund for the City’s Public Works Department.
    - B. **Grant Fund (12)** – The Grant Fund is used to account for all operating grants that the City receives from the State or Federal Program for a specific purpose.
    - C. **State Housing Initiative Partnership Grant (SHIP) Fund (13)** – The State Housing Initiative Partnership Grant (SHIP) Fund is used to account for revenues and expenditures of the City’s SHIP Program.
    - D. **Community Development Block Grant (CDBG) Fund (14)** – The Community Development Block Grant Fund is used to account for revenues and expenditures of the City’s CDBG Department. The City is an entitlement community under the U.S. Department of housing and Urban Development (HUD).
    - E. **Development Services Fund (15)** – The Development Services Fund is the accounting entity for the City’s Building Department. The fund was established to capture a record of fees and expenses oriented toward the building and development industry to ensure that these service costs are largely recaptured by the users.

F. **Special Revenue Fund (16)** – The Special Revenue Fund is used to account for the proceeds from specific, earmarked revenues such as impact fees and Law Enforcement Training Trust Fund.

G. **Law Enforcement Trust Fund (17)** – The Special Revenue Fund is used to account for funds and property seized or confiscated by either Federal, State, and/or local law enforcement agencies.

3. **Capital Project Fund (30)** – Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds) or capital improvements. This fund serves as an operating fund for the construction of various projects and will receive grants and other project-oriented revenues.

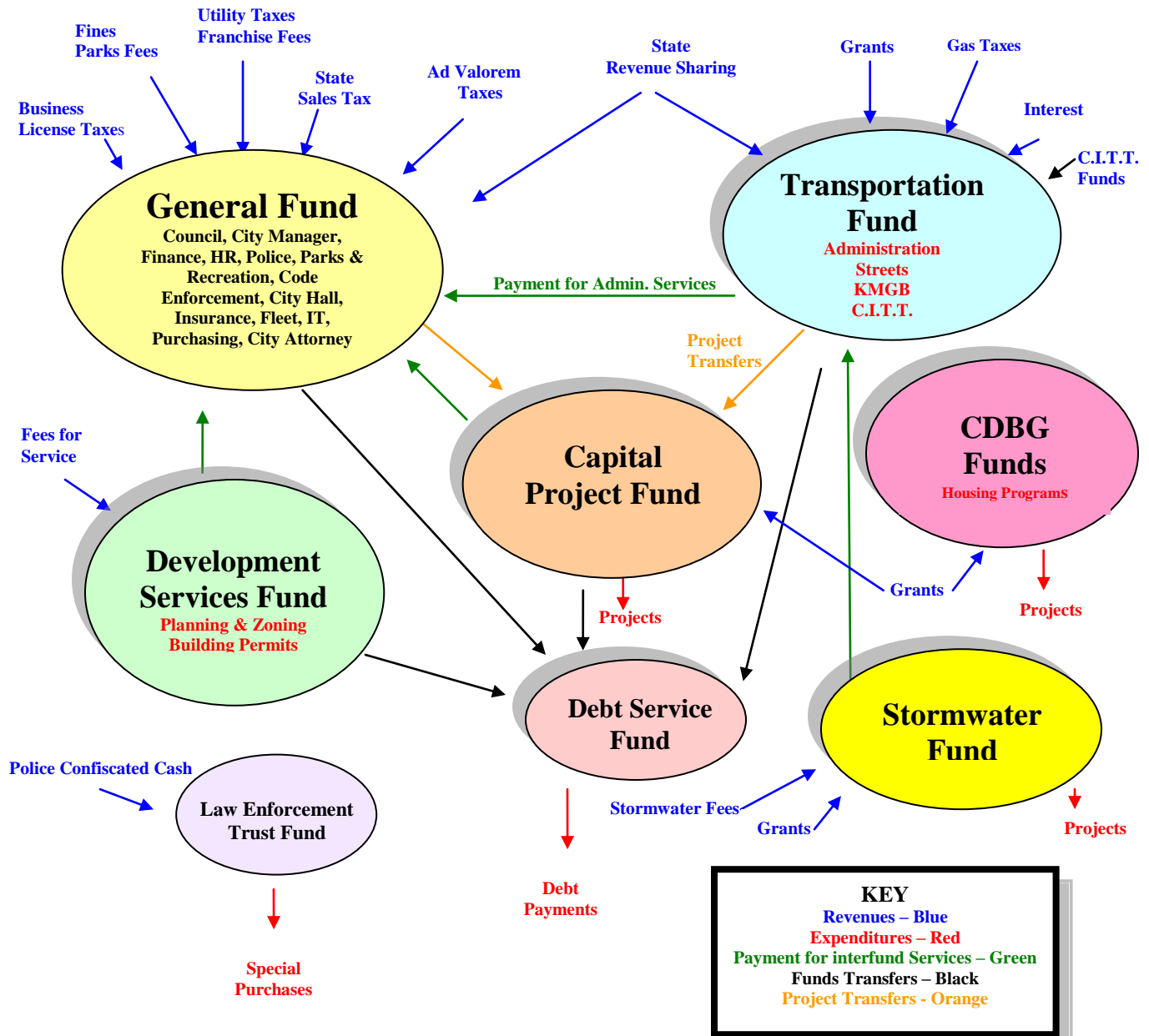
4. **Debt Service Funds (21)** - Debt Service Funds account for the accumulation of resources for, and the payment of, principal, interest, and related costs on general long term debt (other than those payable from the operations of enterprise funds). The City currently has one debt service Fund.

- Proprietary Fund Types:

1. **Enterprise Funds** - Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

A. **Stormwater Utility Fund (41)** – The Stormwater Utility Fund is used to account for revenues and expenditures related to the City’s stormwater utility operation. Major revenues include the \$4 per month stormwater utility fee and grants.

# Major Operating Funds Relationship Chart



To the layman or the uninitiated, municipal budgeting is at best confusing. The use of separate “Funds” to account for operations is conceptually similar to a group of unrelated businesses, that each has their own unique product, revenues and expenditures; however, they may “buy” certain “services” from each other but must pay for these services as would any business who, say hired another company to do its payroll or maintenance.

Some of these relationships are mandated by law (i.e. gas taxes must go into the Transportation Fund) while others are for convenience (i.e. Payment to the Capital Projects Fund for a specific project to be completed).

The concept that cities have one large pot of money that can be used for anything is widely held but erroneous.



## Expenditure Policies

The City shall operate on a current funding basis. Expenditures shall be budgeted and controlled so as not to exceed current revenues plus planned use of fund balance accumulated through the prior years.

1. The City Manager shall take immediate corrective actions if at any time during the fiscal year expenditure and revenue re-estimates are such that an operating deficit is projected at year-end. Expenditure deferrals into the following fiscal year, short-term loans, or use of one-time revenue sources shall be avoided.
2. The City manager shall undertake periodic staff and third party reviews of City programs for both efficiency and effectiveness. Privatization and contracting with other governmental agencies will be evaluated as alternatives to service delivery. Programs that are determined to be inefficient and/or ineffective shall be reduced in scope or eliminated.
3. The City shall make every effort to maximize any discounts offered by creditors/vendors. Staff shall also use competitive bidding to attain the best possible price on goods and services.
4. Normal maintenance requirements necessary to sustain the basic asset value will be included in the budget of the proper operating fund.
6. Contractual obligations and compensation plans for employees will be provided, including estimated pay-out amounts for accrued personal leave.
7. Capital for major improvements and automation of services will be based on multiple-year planning and cost benefit analysis.
8. Working Capital Reserve - This reserve should be established in all operating funds where emergencies may occur. The amount recommended is a minimum of \$50,000 to \$500,000 depending on the size of the fund.
9. Each year, the risk manager shall prepare an estimate of amounts to be budgeted for workers' compensation, self-insured, and malpractice claims.

## Fund Balance Policy

### Purpose

In 2009, the Governmental Accounting Standards Board (GASB) issued GASB Statement 54 *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement substantially changes how fund balances are categorized. This policy establishes procedures for reporting fund balance classifications, and establishes prudent reserve

requirements also authorizes and directs the Finance Director to prepare financial reports, which accurately categorize fund balance according to GASB 54.

### **Definitions of Fund Balance**

Fund balance is the difference between the assets and liabilities reported in a governmental fund. GASB 54 established the following definite, each of which identifies the extent to which the City is bound to honor constraints on the specific purposes for which amounts can be spent.

A. Non-Spendable Fund Balance

The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in a spendable form or (b) legally or contractually required to be maintained intact. The “not spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. It also includes the long term amount of loans and notes receivable.

B. Restricted Fund Balance

This classification includes amounts that reflect constraints placed on the source of resources, other than non-spendable items that are either (a) externally imposed by creditors (such as through bonded debt reserve funds required pursuant to debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

C. Committed Fund Balance

This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (an ordinance or resolution) of the government’s highest level of decision making authority. The committed amounts cannot be used for any other purposes unless the government removes or changes the specific use by taking formal action. Committed fund balance also incorporate contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

D. Assigned Fund Balance

The assigned fund balance classification includes amounts that are constrained by the government’s intent to be used for specific purposes, but that are not restricted or committed. Such intent needs to be established by (a) the governing body itself for (b) a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. The authority to “assign” fund balance is delegated to the City Manager or his designee. A few examples for assigned fund balance are as follows:

Continuing Appropriations: Fund balance levels must be sufficient to meet funding requirements for projects approved in prior year and which must be carried forward into the next fiscal year.

Funds set aside for equipment replacement according to the City's Capital Improvement Plan.

E. Unassigned Fund Balance

This classification is for the government's General Fund and includes all spendable amounts not contained in the other classification, and therefore not subject to any constraints. Unassigned amounts are available for any purpose.

**Stabilization Arrangements**

Included in the City's Adopted Budget each year, it is the City's goal to maintain an unassigned general fund balance equal to 16% to 25% of the annual budgeted general fund expenditures. All unassigned general fund balance should be appropriated into the succeeding year's budget and identified as "working capital reserve".

**Comparison of Past Practice and GASB 54 Fund Balance Types**

<b>Past Practice</b>	<b>GASB 54 Format</b>
<b>Reservations:</b>	
Inherited: Inventories, Prepaids	<b>Non Spendable</b>
Legal restriction:	<b>Restricted</b>
Special Revenue Fund: Impact Fee	<b>Restricted</b>
Special Revenue Fund: Grants	<b>Restricted</b>
Development Service Fund	<b>Restricted</b>
Transportation Fund: Gas Tax	<b>Restricted</b>
Contractual restriction: Encumbrances	<b>Committed:</b> Contractual obligated
Capital Projects Fund	<b>Restricted:</b> Grant
<b>Unreserved, reported in</b>	<b>Assigned:</b>
Special Revenue Funds	Special Revenues with the exception listed above
Capital Projects Fund	Capital Projects with the exception listed above
Debt Service Fund	Debt Service
<b>Unreserved, undesignated:</b>	<b>Unassigned:</b> General Fund Only*

\*Exception: Other governmental funds have Expenditures that exceed the restricted or committed fund balance.

**Specific Guidelines For Individual Funds**

**General Fund:** It is the objective of the City to pay as great a portion of operating expenses of the General Fund as possible from sources other than ad valorem taxes.

Only to the extent that non-ad valorem tax sources of revenue are inadequate to support services at desired levels should ad valorem taxes be considered for an increase. Service charges and fees for all general fund services will be analyzed to ensure an appropriate proportional recovery of direct costs and overhead from Proprietary Funds.

The annual operating budget of any enterprise or special revenue operating fund shall pay the appropriate general fund operations for a portion of the cost of general administrative departments and a payment-in-lieu-of taxes which will be computed on the latest un-depreciated value as established in the latest C.A.F.R. Services charges, rent, and fee structure will be established so as to ensure recovery of all costs for these funds to the fullest extent possible, considering public benefit. All capital projects and capital bonds shall pay a one-time 2 ½% administrative fee to the General Fund for administration and accounting for such project.

## Capital Asset Management Policies

- **Threshold:** The City will capitalize all individual assets and infrastructure with a cost of \$5,000 or more and a life of 5 years or more (except computers at 3 years).
- **Asset categorization:** The City shall account for assets and infrastructure meeting the minimum dollar and life thresholds in the following categories:
  - Land
  - Buildings
  - Improvements
  - Equipment
  - Infrastructure
    - Roads
    - Stormwater system
    - Sidewalks
  - Construction in progress
- **Infrastructure Accounting:**
  - Pre-2003 valuations. Prior to the incorporation of the City in 2003, the City has used the estimated historical cost method of valuation.
  - Method:
    - The City determined the estimated cost of road replacement by using the Florida Department of Transportation Statistics Unit Prices and then applied the US Bureau of Labor Statistics price trend Information for asphalt, concrete, paving mixtures

and blocks weighted average deflator index in determining the present value of the roads.

- The Stormwater system estimated cost is based upon the Florida Department of Transportation Statistics Unit Prices and then applied the US Bureau of Labor Statistics price trend Information for storm sewer pipes and concrete pipes weighted average deflator index in determining the present value of the stormwater system.
- The City determined the estimated cost of sidewalks by using the Florida Department of Transportation Statistics Unit Prices and then applied the US Bureau of Labor Statistics price trend Information for asphalt, concrete, paving mixtures and blocks weighted average deflator index in determining the present value of the sidewalks.
- **Capital Expenditure/Capital Outlay** – Budget vs. GAAP (Generally Accepted Accounting Principles). Only assets or infrastructure with a value over \$5,000 will be budgeted as a capital item in the budget. Short lived assets which do not meet the capital asset threshold will be budgeted as operational materials and supplies.
  - Deprecation Method: GASB (Governmental Accounting Standards Board) Statement 34 requires governments to depreciate capital assets with a defined estimated life.
  - The City will use the straight line depreciation method.
  - There will be no depreciation on land or other assets with an indefinite life.
  - Construction in progress projects are not subject to depreciation until the projected is completed.
  - Depreciation expense is not calculated on the salvage value (value which the asset will not fall below).
- **Capital Assets** – Assets vs. Repair & Maintenance: GASB 34 requires that repair and maintenance items are expenses rather than capitalized assets.
  - The criteria determining whether an item is capitalized or expensed is whether the service life of the assets will be extended.

- The City will adapt this definition and capital expenditures that extend the life of the asset will be classified as capital assets.
- **Estimated useful assets life:** The estimated useful lives of the assets are based on City experience and established projections reflected in the 5 year capital plan. The useful life will be used when determining depreciation expense. The useful lives are:
  - Land – indefinite
  - Buildings – 40 years
  - Improvements – 15 years
  - Equipment :
    - Cars – 5 years
    - Trucks – 10 years
    - Equipment – 5 years
    - Computer equipment – 3 years
  - Infrastructure:
    - Roads – 25 years
    - Stormwater system – 50 years
    - Sidewalks – 20 years
- **Five year capital plan:** The City prepares a 5 year capital plan which reports the capital asset budget needs for the City.
- **Fixed Asset Accounting.** The City will comply with the standards established by GASB 34 (Governmental Accounting Standards Board) and all subsequent pronouncements with forth by GASB or its successor organization.

## Capital Expenditures & Debt Policies

### All Funds

**Revenue:** Revenue projections for the Capital Improvement Budget shall be based on conservative assumptions of future earnings and bond market conditions.

**Requirements:** Capital projects shall be justified in relation to the applicable elements of the City’s comprehensive plan or other requirements or needs. Estimated requirements for capital projects shall include all costs reasonably associated with the completion of the project. The impact of each project on the operating revenues and requirements of the City shall be analyzed as required by the general fiscal policy stated above.



**Long Term Debt:** Long term borrowing will not be used to finance current operations or normal maintenance. A policy of full disclosure will be followed in all financial reports and official statements for debt.

**Medium Term Debt:** Capital lease purchase methods, bonds, or other debt instruments may be used as a medium-term (5 to 8 years) method of borrowing for the financing of vehicles, other specialized types of equipment, or other capital improvements. The equipment or improvement must have an expected life at least equal to the years leased or financed. The City will determine and utilize the least costly financing methods available and where practical, shall use an open bid system for such financing. Such debt arrangements will be repaid within the expected life of the equipment or improvement acquired.

**Short Term Debt:** Short-term borrowing may be utilized for temporary funding of anticipated tax revenues; anticipated grant payments, anticipated bond proceeds, or other expected revenues. Such debt should normally be made from pooled cash; however, in rare circumstances, it may be by the use of the line-of-credit at the City's depository or other financial institution, utilizing a short-term note maturing before the end of the current appropriation period. Other short-term debt, such as tax exempt commercial paper, bond anticipation notes, tax anticipation notes, or grant anticipation notes, may be used when it provides immediate financing and an interest advantage, or the advantage to delay long-term debt until market conditions are more favorable. The City will determine and utilize the least costly method for short term borrowing. Short-term debt may be refunded in accordance with applicable federal laws. Anticipated funding is defined as an assured source with the anticipated amount based on conservative estimates.

### **Specific Guidelines**

**1. General Capital Improvements:** General capital improvements, or those improvements not related to City-owned enterprises, shall be funded from general operating fund revenues or fund balances, the sale of revenue or general obligation bonds, and from special assessments and grants.

**2. Pay-As-You-Go Capital Improvements:** Pay-as-you-go capital improvements shall be funded from general operating fund revenues or fund balances, state and federal grants, special assessments, or other sources of revenue which may become available to the City. Major capital projects related to the delivery of general public services shall be paid from general purpose revenues.

**3. Special Assessments:** When special assessments are used for pay-as-you-go general capital improvements where the City as a whole receives the benefit, the interest rate charged will be established by the City consistent with state law.

**4. Revenue Bond Debt Limit:** Sale of revenue bonds shall be limited to that amount which can be supported by user fees and other associated revenues. Revenue bond

coverage shall not be less than parity required coverage or as fixed in the approving bond documents. *While the City has no legal debt limit*, it is the City's policy that the total net annual general revenue bond debt service should not exceed 15% of the total net general purpose revenue and other funds available for such debt service. Net annual debt service shall be gross annual debt service less estimated interest on debt service reserve accounts and funds from other governmental units designated for payment of such debt service.

**5. Enterprise Capital Improvements:** Enterprise revenue bond coverage shall not be less than parity or the required coverage, whichever is greater.

**6. Miscellaneous:** The maximum of net bonded debt per capita shall be \$1,000. The maximum percentage of annual debt service to general expenditures shall be 10%.

**7. Types of Debt Pledges:** There are different types of debt available to finance the City's needs. They are as follows:

- A. General obligation bonds: These bonds are secured by ad valorem tax beyond operating levels. All General Obligation Bond issuance must be approved by voters through a referendum. The State of Florida limits the General Obligation debt service not to exceed a tax of 2 mills.
- B. Covenant to Budget and Appropriate: This is a pledge that the City will consider making payment of debt service annually through budget process.
- C. Special Revenue Bonds: These bonds are repaid by the pledge of specific governmental revenue such as public service tax, gas tax or sales tax. This bond requires that the revenue stream be used first to satisfy the bond covenants and then used for other governmental purposes.
- D. Special Assessment Bonds: This bond is secured by special assessments that the City can levy. This includes any improvements to streets, such as sidewalk program, lighting program, traffic calming devices etc.
- E. State Revolving Loan: This is a low interest loan offered by the State for water, sewer and stormwater improvements. This loan is secured by user fees charged by the jurisdiction.

**8. Final Maturity:** The following is the guideline and is not a mandatory schedule; however, in no circumstances should the maturity of the loan be longer than the life of the assets.

- A. Vehicles/Equipment: 3-5 years
- B. Heavy Equipment such as loader, dump truck: 5-8 years
- C. Building: 20 – 30 years
- D. Infrastructure Improvement: 10 – 20 years
- E. Land: 20-30 years

**9. Debt Instruments:** The Finance Director shall choose the best structure of debt warranted by the market conditions and the project to be financed and recommend to Council for approval. The City also has the option of participating in one of the many pool bonds, where local government have joined together to issue debt to gain economy of scale to reduce issuance costs and to obtain better interest rate.

- A. Fixed Rate Bonds: Fixed rate bonds have the future principal and interest payments scheduled until maturity from the time of issuance.
- B. Variable Rate Notes: Variable rate notes are when the amount of interest paid changes in reaction to market demands and investor's preference. Variable rate debt should be used for two purposes: (1) as an interim financing device (during construction periods) and (2) subject to limitations, as an integral portion of a long-term strategy to lower the City's effective cost of capital. Under either circumstance, when the cycle of long-term rates moves down to or near historic lows, consideration should be given to converting to a fixed rate.
- C. Line or Letters of Credit: When the use is considered prudent the City can enter in agreements with local banks or other financial entities to acquire loans or letters of credit that provide City access to funds under emergency circumstances to fund temporary cash flow demands.

**10. Measures of Future Flexibility:** As the City addresses its needs at any one period in time, the Mayor and City Council must be prepared to ensure the flexibility to meet the present needs and challenges which face the community. Since neither State law nor the City Charter provide any fixed limits on the amount of debt which may be incurred (other than the requirement to have General Obligation debt approved in advance by referendum), the following targets or limits are established to ensure future flexibility. The following goals/targets are set to ensure the current and future flexibility, and financial vitality of the City.

Description	Ceilings
General Government Debt Service as a percentage non-ad valorem General Fund expenditures	
Debt Limit (net of General Obligation Bond)	10%
Goal/Target	8%
Weighted Average Maturity of Debt Programs:	
Self Supporting	10 years
Non-self-supporting	20 years
Weighted Average Maturity of Internal Loan Program:	5 years
General Government Direct Debt per capita	
Limit	\$1,000
Goal/Target	800
Annual Capital Projects Funding (paid as you go or debt service incurred) from non-advalorem tax	
Limit - mill	2
Goal/Target - mill	1.5
Unassigned Fund Balance	16-25% of annual operating budget

**11. Refunding Criteria:** Periodic review of the City's outstanding debt should be undertaken to determine refunding opportunities. The City may issue refunding bonds when advantageous, legally permissible, prudent, and when aggregate net present value saving, expressed as a percentage of par amount for the refunding bonds, with a target range of 3-5% or when the average annual savings are greater than \$10,000 per year.

**12. Monitoring, Reporting, Amendments and/or Exceptions:** The Finance Director shall monitor the actual results against the targets presented in this policy and the report will include the following information, to the extent applicable:

- A. Debt Program Targets and
- B. Measures of Future Flexibility Targets;

From time to time, circumstances may suggest that an exception be approved to one or more of the policy constraints established herein. Amendments and/or exceptions must be submitted to the City Council and shall become effective only after approved by the City Council. This Debt Management Policy will be submitted for ratification by the City Council should economic circumstances arise.

#### **Policies and Procedures for Issuance and Post-Issuance Compliance with Internal Revenue Code Requirements**

The City issues tax-exempt and tax credit bonds (including certificates of participation) that are subject to certain requirements under the Internal Revenue Code (the "Code"). The City has established the policies and procedures outlined in this section in order to ensure compliance with the requirements of the Code that are applicable to tax-exempt bonds and tax credit bonds, including "Build America Bonds" that are "qualified bonds" within the meaning of Section 54AA thereof ("Direct-Pay BABs") that are eligible for interest subsidy payments (the "Subsidy"). These policies and procedures, coupled with requirements contained in the Arbitrage and Tax Certificate (the "Tax Certificate") executed at the time of issuance of the bonds, are intended to constitute written procedures for compliance with the Federal tax requirements applicable to the bonds and for timely identification and remediation of violations of such requirements.

**1. General Matters.** The Finance Director shall have overall responsibility for ensuring that the ongoing requirements described in this section are met with respect to the bonds. The Finance Director shall identify additional employees who will be responsible for each of the procedures described in this section, notify the current holder of that office of the responsibilities, and provide that person with a copy of the procedures. New personnel will be advised of responsibilities under the procedures and the importance of the procedures. If positions are restructured or eliminated, responsibilities will be reassigned as necessary to ensure that all procedures are monitored.

**2. Periodic Review.** The Finance Director or other responsible persons should periodically review compliance with these procedures and with the terms of the related Tax Certificate to determine whether any violations have occurred so that such violations can be remedied through the “remedial action” regulations (Treasury Regulation §1.141-12) or the Voluntary Closing Agreement Program described in Internal Revenue Service (“IRS”) Notice 2008-31 (or successor guidance).

**3. Changes in Bond Terms.** If any changes to the terms of the bonds are contemplated, bond counsel will be consulted. Such modifications could result in a reissuance, i.e., a deemed refunding, of the bonds. Such a reissuance could jeopardize the status of any bonds that are Direct-Pay BABs and thereby affect the continued receipt of the Subsidy.

**4. Issue Price; Premium Limit for Build America Bonds.**

- A. In order to document the issue price of bonds, the Finance Director shall consult with bond counsel and obtain a written certification from the underwriter, placement agent or other purchaser of the bonds as to the offering price of the bonds that is in form and substance acceptable to the City and bond counsel.
- B. Prior to issuing Build America Bonds, the Finance Director shall consult with bond counsel and the City’s financial advisors to assure that the premium on each maturity of the bonds (stated as a percentage of principal amount) does not exceed one-quarter of one-percent (0.25%) multiplied by the number of complete years to the earlier of final maturity of the bonds or, generally, the earliest call date of the bonds, and that the excess of the issue price of the bonds over the price at which the bonds are sold to the underwriter or placement agent, when combined with other issuance costs paid from proceeds of the bonds, does not exceed 2% of the sale proceeds of the bonds.
- C. In connection with monitoring the premium limitation that applies to the issuance of Build America Bonds, the Finance Director shall ensure that a party other than the underwriter or placement agent, such as the City’s financial advisor, reviews the market trading activity of the bonds after their sale date but before their issuance date, answers such questions as the Finance Director shall reasonably ask of such party concerning such data, and produce such reports concerning the sales data as the Finance Director shall reasonably request. Market trading information is generally available through the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System (EMMA) (<http://www.emma.msrb.org>).

## **5. Information Reporting.**

- A. The Finance Director will confirm that bond counsel has filed the applicable information reports (such as Form 8038-G or Form 8038-B) for such bond issue with the IRS on a timely basis, and maintain copies of such form including evidence of timely filing as part of the transcript of the bond issue.
- B. For Direct-Pay BABs, the Finance Director shall review the IRS Form 8038-CP in order to ensure that the proper amount of interest is being reported and the proper amount of Subsidy is being requested with respect to each interest payment date. The Finance Director shall ensure that the IRS Form 8038-CP is filed on a timely basis with respect to each interest payment date in order to receive timely payment of the Subsidy. If the Subsidy is to be paid to a person other than the City (i.e., the bond trustee), the Finance Director shall obtain and record the contact information of that person, and ensure that it is properly shown on Form 8038-CP so that the direct payment will be made to the proper person.

## **6. Use of Proceeds of Bonds.** The Finance Director or other responsible person shall:

- A. Maintain clear and consistent accounting procedures for tracking the investment and expenditures of bond proceeds, including investment earnings on bond proceeds.
- B. At or shortly after closing of a bond issue, ensure that any allocations for reimbursement expenditures comply with the Tax Certificate.
- C. With respect to Build America Bonds, monitor that no more than 2% of the sale proceeds are used to pay costs of issuance.
- D. With respect to Build America Bonds, determine the correct amount of available project proceeds and monitor that 100% of all sale proceeds and investment earnings on sale proceeds (other than proceeds used to pay costs of issuance or deposited in a reasonably required reserve fund) are allocated to capital expenditures in a timely fashion consistent with the requirements of the Tax Certificate.
- E. Utilize requisitions to draw down bond proceeds, and ensure that each requisition contains detailed information in order to establish when and how bond proceeds were spent; review them carefully before submission to ensure proper use of bond proceeds to minimize the need for reallocations.



- F. Ensure that a final allocation of bond proceeds (including investment earnings) to qualifying expenditures is made if bond proceeds are to be allocated to project expenditures on a basis other than “direct tracing” (direct tracing means treating the bond proceeds as spent as shown in the accounting records for bond draws and project expenditures). An allocation other than on the basis of “direct tracing” is often made to reduce the private business use of bond proceeds that would otherwise result from “direct tracing” of proceeds to project expenditures. This allocation must be made within 18 months after the later of the date the expenditure was made or the date the project was placed in service, but not later than five years and 60 days after the date the bonds are issued, or 60 days after the bond issue is retired. Bond counsel can assist with the final allocation of bond proceeds to project costs.
- G. Maintain careful records of all project and other costs (e.g., costs of issuance, credit enhancement and capitalized interest) and uses (e.g., deposits to a reserve fund) for which bond proceeds were spent or used. These records should be maintained separately for each issue of bonds.

**7. Monitoring Private Business Use.** The Finance Director or other responsible person shall:

- A. Review all of the following contracts or arrangements with non-governmental persons or organizations or the federal government (collectively referred to as “private persons”) with respect to the bond-financed facilities which could result in private business use of the facilities:
  - i. Sales of bond-financed facilities;
  - ii. Leases of bond-financed facilities;
  - iii. Management or service contracts relating to bond-financed facilities;
  - iv. Research contracts under which a private person sponsors research in bond- financed facilities; and
  - v. Any other contracts involving “special legal entitlements” (such as naming rights or exclusive provider arrangements) granted to a private person with respect to bond-financed facilities.

- B. Before amending an existing agreement with a private person or entering into any new lease, management, service, or research agreement with a private person, consult bond counsel to review such amendment or agreement to determine whether it results in private business use.
- C. Establish procedures to ensure that bond-financed facilities are identified and are not used for private use without written approval of the Finance Director or other responsible person.
- D. Analyze any private business use of bond-financed facilities and, for each issue of bonds, determine whether the 10% limit on private business use (5% in the case of “unrelated or disproportionate” private business use) is exceeded, and contact bond counsel or other tax advisors if either of these limits is exceeded.
- E. If private business use limits are exceeded, consult with bond counsel to determine if a remedial action is required with respect to nonqualified bonds of the issue under Treasury Regulation §1.141-12, or if the IRS should be contacted under its Voluntary Closing Agreement Program.
- F. Retain copies of all of the above contracts or arrangements (or, if no written contract exists, detailed records of the contracts or arrangements) with private persons for the period indicated below.
- G. Ensure that loans to persons other than governmental units made with proceeds of bonds comply with the limitations provided in the Code. Consult bond counsel if any such loans are contemplated.

**8. Arbitrage and Rebate Compliance.** The Finance Director or other responsible person shall:

- A. Review each Tax Certificate to understand the specific requirements that are applicable to each bond issue.
- B. Record the arbitrage yield of the bond issue, as shown on IRS Form 8038-G or 8038-B.
- C. Review the Tax Certificate to determine the “temporary periods” for each bond issue, which are the periods during which proceeds of bonds may be invested without yield restriction.
- D. Ensure that any investment of bond proceeds after applicable temporary periods is at a yield that does not exceed the applicable

bond yield, unless yield reduction payments can be made pursuant to the Tax Certificate.

- E. Monitor that bond proceeds (including investment earnings) are expended promptly after the bonds are issued in accordance with the expectations for satisfaction of three-year or five-year temporary periods for investment of bond proceeds and to avoid “hedge bond” status.
- F. Ensure that investments acquired with bond proceeds satisfy IRS regulatory safe harbors for establishing fair market value (e.g., through the use of bidding procedures), and maintaining records to demonstrate satisfaction of such safe harbors.
- G. Consult with bond counsel before engaging in credit enhancement or hedging transactions relating to a bond issue, and before creating separate funds that are reasonably expected to be used to pay debt service on bonds. Maintain copies of all contracts and certificates relating to credit enhancement and hedging transactions that are entered into relating to a bond issue.
- H. Before beginning a capital campaign that may result in gifts that are restricted to bond-financed projects (or, in the absence of such a campaign, upon the receipt of such restricted gifts), consult bond counsel to determine whether replacement proceeds may result.
- I. Even after all proceeds of a given bond issue have been spent, ensure that the debt service fund meets the requirements of a “bona fide debt service fund,” i.e., one used primarily to achieve a proper matching of revenues with debt service that is depleted at least once each bond year, except for a reasonable carryover amount not to exceed the greater of: (i) the earnings on the fund for the immediately preceding bond year; or (ii) one-twelfth of the debt service on the issue for the immediately preceding bond year. To the extent that a debt service fund qualifies as a bona fide debt service fund for a given bond year, the investment of amounts held in that fund is not subject to yield restriction for that year.
- J. Ensure that amounts invested in any reasonably required debt service reserve fund do not exceed the least of: (i) 10% of the stated principal amount of the bonds (or the sale proceeds of the bond issue if the bond issue has original issue discount or original issue premium that exceeds 2% of the stated principal of the bond issue plus, in the case of premium, reasonable underwriter’s compensation); (ii) maximum annual debt service on the bond issue; or (iii) 125% of average annual debt service on the bond issue.

- K. Review the Arbitrage Rebate covenants attached to the Tax Certificate. Subject to certain rebate exceptions described below, investment earnings on bond proceeds at a yield in excess of the bond yield (i.e., positive arbitrage) generally must be rebated to the U.S. Treasury, even if a temporary period exception from yield restriction allowed the earning of positive arbitrage.
- i. Ensure that rebate calculations will be timely performed and payment of rebate amounts, if any, will be timely made; such payments are generally due 60 days after the fifth anniversary of the date of issue of the bonds, then in succeeding installments every five years. The final rebate payment for a bond issue is due 60 days after retirement of the last bond of the issue. The City should hire a rebate consultant if necessary.
  - ii. Review the rebate section of the Tax Certificate to determine whether the “small issuer” rebate exception applies to the bond issue.
  - iii. If the 6-month, 18-month, or 24-month spending exceptions from the rebate requirement (as described in the Tax Certificate) may apply to the bonds, ensure that the spending of proceeds is monitored prior to semi-annual spending dates for the applicable exception.
  - iv. Make rebate and yield reduction payments and file Form 8038-T in a timely manner.
  - v. Even after all other proceeds of a given bond issue have been spent, ensure compliance with rebate requirements for any debt service reserve fund and any debt service fund that is not exempt from the rebate requirement (see the Arbitrage Rebate covenants attached to the Tax Certificate).
  - vi. Maintain records of investments and expenditures of proceeds, rebate exception analyses, rebate calculations, Forms 8038-T, and rebate and yield reduction payments, and any other records relevant to compliance with the arbitrage restrictions.

**9. Record Retention.** The Finance Director or other responsible person shall ensure that for each issue of bonds, the transcript and all records and documents described in these procedures will be maintained while any of the bonds are outstanding and during the three-year period following the final maturity or

redemption of that bond issue, or if the bonds are refunded (or re-refunded), while any of the refunding bonds are outstanding and during the three-year period following the final maturity or redemption of the refunding bonds.

## Investment Policies

### Scope

This investment policy applies to all financial assets of the City of Miami Gardens, which are under the direct control of the City Council.

### Investment Objectives

The following investment objectives will be applied in the management of the City's funds.

**1. Safety of Capital** - Safety of capital is regarded as the highest priority in the handling of investments for the City. All other investment objectives are secondary to the safety of capital. Each investment transaction shall seek to first ensure that capital losses are avoided, whether they are from securities defaults or erosion of market value. From time to time, securities may be traded for other similar securities to improve yield, maturity, or credit risk. For these type transactions, a loss may be incurred for accounting purposes, provided any of the following occurs with respect to the replacement security:

- a. Yield has been decreased;
- b. Maturity has been reduced;
- c. Quality of the investment has been improved.

**2. Liquidity** - The City's investment strategy will provide sufficient liquidity such that cash flow requirements are met through the utilization of marketable securities with structured maturities.

**3. Yield** - In investing public funds, the City will strive to maximize the return on the portfolio but will avoid assuming unreasonable risk.

### Standards of Care

**1. Prudence and Ethical Standards** – The “prudent person” standard shall be used in the management of the overall investment portfolio. The prudent person standard is herewith understood to mean the following: Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion,

and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. Investment officers, or persons performing the investment functions, acting as a “prudent person” in accordance with this written policy and procedures, exercising due diligence and investments authorized by law, shall be relieved of personal responsibility, for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion, as described in the internal control section of this policy, and appropriate action is taken to control adverse developments.

**2. Investment Authority** - Responsibility for the administration of the investment program is vested in the City Manager. The City Manager shall exercise this authority and regulate the administration of the investment program through the Finance Department. No person may engage in an investment transaction except as stated in the internal controls section of the policy.

**3. Ethics and Conflicts of Interest** – The Mayor, City Council, City Manager, and Finance Department employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. The above personnel shall disclose any material interests in financial institutions with which they conduct business and any personal financial or investment positions that could be related to the performance of the investment portfolio. Investment related officers and personnel shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of their entity.

## **Safekeeping And Custody**

### **Authorized Investment Institutions and Broker/Dealers**

Documented lists of the authorized financial institutions and broker/dealers will be developed and maintained by the Finance Director and approved by the City Manager. Broker/ dealers will consist of banks, regional firms, and other recognizable firms in the general securities business. All such institutions shall be on the State of Florida authorized institution list. Evaluation criteria will include:

- a. The institutional and broker qualification as they relate to both general and specific product knowledge;
- b. The technical support capabilities as well as the operations efficiency of the organization;
- c. The ability to provide value added services;

d. Pricing competitiveness based on the ability of the dealer to support both the “bid” and “ask” side of various securities market instruments.

e. The financial strength and security of the company; and

f. Have a minimum capital of \$10 million. Before engaging in investment transactions with a financial institution or broker/dealer, the Finance Director will have received from said a signed investment certification form attesting that the individuals responsible for the City’s accounts have reviewed the City’s investment policy and that they agree to undertake reasonable efforts to preclude imprudent transactions involving the City’s funds.

Time, practicality, and general business constraints limit the number of investment relationships which can be managed on a regular basis. In most cases, normal investment activity will be limited to no more than five relationships. In all cases, investment relationships will consist of a minimum of three institutions. If at any time the City Manager is appropriately notified of any threat to the integrity of the investment portfolio, proper security measures may be suggested and implemented, and the clerk shall have the option to further restrict investment in selected instruments, to conform to then present market conditions. Repurchase agreements will be conducted through, and negotiated only with, qualified public depository financial institutions and primary securities broker/dealers. A written master repurchase agreement will be negotiated with any institution with which the City, through the clerk, enters into a specific repurchase agreement.

### **Internal Controls**

The City Manager shall exercise and monitor a set of internal controls which are designed to protect the City’s funds and ensure proper accounting and reporting of the securities transactions. Such internal controls shall consist of the following:

- a. All securities purchased or sold will be transferred only under the “delivery versus payment” method to ensure that funds or securities are not released until all criteria relating to the specific transactions are met.
- b. The City Manager is authorized to accept, on behalf of and in the name of the City of Miami Gardens, bank trust receipts and/or confirmations as evidence of actual delivery of the obligation or securities in return for investment of funds. Trust receipts or confirmations shall fully describe the various obligations or securities held. The receipt or confirmation shall state that the investment is held in the name of the City of Miami Gardens.
- c. Written documentation and/or confirmation of telephone transactions and wire transfers will be maintained.



- d. There will be adequate separation of duties with clear delegation of authority among investment personnel.
- e. Custodial safekeeping shall be properly utilized.
- f. Investment review and performance reporting, interim and annual, shall be done by the Finance Director and reviewed by the City Manager.
- g. The Finance Director will promptly notify the City Manager of any threat to the safety of the portfolio and proper security measures will be suggested and implemented to conform to market conditions.
- h. There will be an avoidance of bearer-form securities.
- i. There will be no physical delivery of securities, except certificates of deposit, which will be maintained in a safe in an approved financial institution.
- j. There will be a prohibition of collusion.
- k. A wire transfer agreement with the custodial bank outlining the various controls and security provisions for making and receiving wire transfers shall be executed.
- l. Quarterly safekeeping account statements shall be maintained.
- m. Transaction confirmations will be received from the financial institution or securities dealer awarded the investment and maintained as investment document.
- n. Periodic training and educational opportunities will be provided and made available concerning investments and related subjects for appropriate personnel.
- o. Investment activity will be performed by the Finance Director and subsequently approved by the City Manager. In the absence of the Finance Director, the Chief Staff Accountant responsible for overseeing investment record keeping, will perform the investment activity and obtain approval of the City Manager.
- p. The following personnel are designated by the City Manager as having authority to initiate all investment activities.

1. Finance Director

2. Chief Staff Accountant responsible for overseeing investment record keeping (if one is appointed).
- q. Additional controls will be established in written policies and procedures by the City Manager as needed.
  - r. The internal controls for investments receipts to the City Manager's office listing the specific instrument, par value, rate, maturity, and any other pertinent information. In addition, the safekeeping institution shall send a report on at least a quarterly basis listing all securities held in each safekeeping account which shall be verified by the City Manager's office. All securities purchased by the City under this policy shall be purchased using the "delivery versus payment" procedure. If it is ever determined to be necessary to perform security transactions on a "free delivery" basis, or to have securities held by the broker/dealer for a temporary period, the approval of the Finance Director must be secured prior thereto and the reason documented in writing.

#### **Suitable And Authorized Investments**

The City shall limit investments to:

1. Negotiable direct obligations of, or obligations the principal and interest of which are unconditionally guaranteed by, and which carry the full faith and credit of, the United States Government and its agencies. Investments in this category would include, but not be limited to, the following: United States Treasury Bills, Notes and Bonds, and securities issued by the Government National Mortgage Association (Ginnie Mae), and Federal Housing Administration.
2. Fully collateralized United States Agency obligations which carry an implied guarantee and the implied full faith and credit of the United States Government. Investments in this category would include, but not be limited to, the following: obligations of the Federal Home Loan Mortgage Corporation (FHLMC) and the Federal National Mortgage Association (FNMA)
3. Other United States Agency obligations which carry an implied guarantee and the implied full faith and credit of the United States Government. Investments in this category would include but not be limited to the following: obligations of the Federal Farm Credit Bank, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Student Loan Marketing Association (Sallie Mae), Financial Assistance Corporation, and Federal Agriculture Mortgage Corporation (Farmer Mac).

4. Permitted investments in the above listed agencies and instrumentalities shall include bonds, debentures, notes, or other evidence of indebtedness issued including mortgage pass-throughs, collateralized mortgage obligations, adjustable rate securities, and adjustable rate mortgages.

5. Interest bearing savings accounts, money market accounts, certificates of deposit, money market certificates, or time deposits constituting direct obligations of any bank or savings and loan association certified as a qualified public depository by the State.

6. Repurchase agreements collateralized by securities otherwise authorized in paragraphs one to five.

7. State of Florida Local Government Surplus Funds Trust Fund.

8. Purchase of Tax Certificates. The City may invest in delinquent tax certificates for property located in Miami Gardens within the following guidelines:

- a) First year tax certificates must be purchased from the property appraiser's second tax certificate sale each year (18% fixed sale).
- b) Second year certificates must be from those properties for which the City holds the first year certificate.
- c) The City shall not purchase any certificate on any property for which there is a current homestead exemption and which is currently occupied.
- d) City staff shall review all properties from which a tax deed is eligible and shall recommend to City Council those properties that will serve a public purpose through community redevelopment, parks and recreation, public infrastructure, housing assistance potential, revenue generation or other such purpose that City Council may deem appropriate.
- e) Prior to filing for a tax deed to any property, the City Council must approve by Resolution the acquisition of such property.

9. The City Council of the City of Miami Gardens adopted a policy to incorporate the State of Florida's "Protecting Florida's Investment Act," (Chapter 2007-88, Laws of Florida), prohibiting the investment of public funds managed by the City in any "scrutinized companies" with active business operations in Sudan or Iran, as listed by the State Board of Administration (SBA) on a quarterly basis, in accordance with the provisions of the Act

### Bid Requirement

When purchasing or selling securities, the Finance Director, or his designated staff, will obtain competitive bids or offerings from at least three dealers, except in situations where:

1. The security involved is a “new original issue” and can be purchased at par prior to issue date, or “at the window” at date of sale;
2. The security involved is available through direct issue or private placement;
3. The security involved is of particular special interest to the entity and dealer competition could have an adverse impact with respect to the price and availability to the entity.

### Reporting

For any investment other than the State Board of Administration (SBA), the Finance Director shall generate monthly reports for management purposes. In addition, he/she shall submit an annual report for submission to the Council, which presents the City’s portfolio by type of investment, book value, income earned, and market value as of the report date.

### Investment Parameters

**1. Liquidity Requirements** - To meet the day to day operating need of the City and to provide the ready cash to meet unforeseen temporary cash requirements, a liquidity base of approximately two months of anticipated disbursements, excluding bond construction payments made from escrow or trust accounts, will be kept in relatively short term investments. These would include State of Florida Local Government Surplus Funds, Trust Fund, Discount Notes, and Repurchase Agreements.

**2. Portfolio Composition; Risk and Diversification** - Prudent investing necessitates that the portfolio be diversified as to instruments and dealers. The following limits are hereby established to serve as guidelines for diversification by instrument. These guidelines may be revised by the City Manager for special circumstances.

Local Government Surplus Funds Trust Fund 100%  
United States Treasury Bills/Notes/Bonds 75%  
Other United States Government Agencies 75%  
Repurchase Agreements 35%  
Certificates of Deposit 10%  
Collateralized Mortgage Obligations 10%

**3. Performance Standard** - The City seeks to optimize return on investments within the constraints of safety and liquidity. The investment portfolio shall be designed with the annual objective of exceeding by 25 basis points above the weighted average return earned on investments held the State Board of Administration.

## Budget Policies

### Budgetary Practices and Basis of Budgeting

**Balanced Budget** – A budgetary state in which planned expenditures equal anticipated revenues. In Florida, it is a requirement that all governmental operating budgets submitted and approved, must be balanced without borrowing.

**A. Operating Budget Practices:** Each department and division prepares its own budget for review by the City Manager. The budget is approved in the form of an appropriations ordinance after the Mayor and Council have conducted advertised public hearings. The Operating Budget is adopted at the Fund level. During the year, it is the responsibility of the City Manager to administer the budget. The legal control, which the budget ordinance establishes over spending, is set up under Generally Accepted Accounting Principles. The City Manager has the authority to transfer budgeted amounts between departments within any Fund, but changes in the total appropriations level for any given Fund can only be enacted by the Mayor and Council through an amendment to the current appropriations ordinance, except for prior year encumbrances carried-forward, grants, reimbursements and bond proceeds, which the City Manager may appropriate to the appropriate fund without further Council action.

The City will adopt an annual General Fund budget in which expenditures, net of pay-as-you-go capital project contributions, do not exceed projected revenues. As a management policy, budgetary control is maintained in the General and the Special Revenue Funds at the program level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Purchase orders which result in overruns of balances are not processed (locked out of the computer system) until sufficient appropriations are made available through approved intrafund transfers.

The City Manager is authorized by the City's adopted purchasing ordinance, to expend certain amounts without further action by City Council. The Manager is authorized to expend up to \$10,000 without bidding; however, the City Manager has established a staff policy that generally requires multiple quotes for such purchases. Authorization to approve purchase orders under this amount has been

delegated to the Assistant City Managers. Purchases between \$10,000 and \$25,000 can be authorized by the City Manager subject to the securing of at least three (3) written quotes. Purchases between \$25,000 and \$50,000 can be authorized by the City Manager after a formal, sealed bidding process. Such purchases are reported after the fact to City Council in a monthly report. All purchases over \$50,000 must be approved by City Council.

**B. Basis of Accounting and Budgeting:** The basis for budgeting is the same as the basis for accounting. Budgets for General, Special Revenue, Capital Projects, and Debt Service Funds are adopted on a basis consistent with Generally Accepted Accounting Principles. Accordingly, all Governmental Fund budgets are presented on the modified accrual basis as well as the “current resources measurement focus.” Under this method of accounting, revenue is recorded when susceptible to accrual, such as when measurable and available for the funding of current appropriations. The Governmental Funds are the General Fund, the Special Revenue Funds, the Capital Projects Fund, and the Debt Service Fund. Enterprise Fund budgets are presented on the full accrual basis as well as “the economic resources measurement focus”. Under this method of accounting, revenues are recognized when earned, as billed and unbilled, and expenditures are recorded when incurred. The City has only one Enterprise Fund, the Stormwater Fund. See the Fund Summaries Budget Detail sections for detailed information on the Fund descriptions.

**C. Capital Improvements Program Practices:** Along with the operating budget, the City Manager submits a Capital Improvements Program (CIP) to the Mayor and Council. This document provides for improvements to the City's public facilities for the ensuing fiscal year and five years thereafter. The first year of the plan establishes a capital budget for the new fiscal year. The remaining five years serve as a guide for use in determining probable future debt issuance needs and operating cost impacts. The Capital Budget is adopted at the Fund level. CIP expenditures are accounted for in the Capital Projects Fund or the Enterprise Funds, as appropriate, and are funded by a variety of sources. The City strives to maintain a reasonable balance between "pay-as-you-go" financing and bond financing for its capital improvements in order to maintain debt within prudent limits.

In April 2014, the City received ratings A1 from Moody, and A+ Stable from Standard & Poor for the issuance of the General Obligation Bond.

### **Other Budget Policies**

1. Formal budgetary integration is employed as a management control device during the year for all funds.
2. All fund budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

3. Florida Statutes provide that expenditures in excess of those total fund budgets are unlawful.
4. Unused appropriations lapse at the end of each fiscal year. Such unexpended funds may be retained in the appropriate fund's reserve or budgeted for the subsequent fiscal year.
5. The City has chosen to implement GASB 45 through a combination of pay-as-you-go and trust reserve. For those amounts accruing for implied future costs, the City's policy is to fund these expenses as it always has, on a yearly, pay-as-you-go budget basis. The City's health insurance premiums are highly competitive with other cities and the addition of future retirees is not expected to have more than an incremental affect on this budgetary item.

As for those future costs associated with the City's own post-retirement benefits, there will be a direct expense of the City thus the City has elected to establish a trust for these future expenditures.

## **Budget Amendments**

### **Budget Amendments**

The City adopts the annual budget at the Fund level. Budget amendments are required when it is necessary to move funds between budgeted funds, to create new funds, or to appropriate funds from fund balance. Generally, budget amendments are done once or twice each year.

### **Internal Budget Adjustments (Budget Transfers)**

#### **General**

Budget adjustments are designed to give the City Manager a degree of flexibility in his/her budgetary administration. They may generally be approved for one of four reasons. First, a budgetary mistake may have been made in the approved budget. Because the budget cycle must begin so early in the year, it is very easy to overlook certain items which should have been included, or to over and/or underestimate the expenses or need for certain other items. A second reason for which transfers should be approved is emergency purchases. In many instances, equipment, supply, or maintenance costs must be incurred at a higher level than could have been anticipated due to a breakdown of equipment, the assumption of a new service, or unusually large contract prices.



A third reason for an amendment is an avoidance of future cost increases. Such opportunities often arise when a certain product or service can be purchased at a certain time rather than putting off the purchase until a later date.

Finally, a municipal organization needs to be dynamic to respond to change. Often this requires moving funds from one area to another.

Budget adjustments exist for very specific reasons, as noted above and should not be used to balance an organization's budget each month. Operating within one's available budgetary resources is a managerial responsibility, and one which should be taken very seriously. While the approved budget is only a plan and can be changed as circumstances change; it should be adhered to as closely as possible. The budget should contain a reasonable working capital reserve account in each Fund to meet unexpected needs.

When needs are less than originally anticipated or should prices come in lower than budgeted, excess funds should accrue as savings to the City. They should not be considered as available dollars for additional expenditures beyond the appropriation level contained in the approved budget without specific justification. These accrued savings become fund balance reserve or cash forwarded into the next year's budget; a valuable revenue in maintaining service levels and avoiding tax rate increases. The more that can be accrued in one year, the easier the budget process will be the next year.

Capital equipment item funds are budgeted for in the annual budget; however, as needs change, individual items are not specifically approved in the budget. Additional capital equipment needs can be purchased if funds are available. First, if the amount does not exceed \$10,000, and if the requesting party has the funds available, then the Department Head can approve the purchase. If the individual item or systems exceed \$10,000 but do not exceed \$50,000, and if the requesting party has funds available, then the City Manager can approve the purchase after following approved purchasing procedures. Individual items or systems over \$50,000 require City Council approval with justification of fund availability whether from the adopted budget or the appropriate reserve.

### **Encumbrances**

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded in order to reserve that portion of the applicable appropriation, is utilized in the governmental funds.

### **Policies**

1. The City Manager is authorized to make budgetary transfers, limited to line item allocations within a single fund, including apportioning budgets within funds to line items in the Chart of Accounts for the City. Said authority includes the authority to correct inter-programmatic budgeting and accounting allocations. The budgetary level of control is at the fund level.

2. The City Manager has the authority to adjust the adopted budget to correct scrivener's errors.
3. A receipt of revenue from a source not anticipated in the budget and received for a particular purpose including, but not limited to, grants, donations, gifts, or reimbursement for damages, may be appropriated by the City Manager and expenditures provided for in the budget.
4. The City Manager is hereby authorized to create a suspension reserve account in each fund and, further, authorized to transfer funds across appropriation centers into said accounts.

## **Accounting, Auditing & Financial Reporting**

1. The City's accounting and financial reporting systems will be maintained in conformance with Generally Accepted Accounting Principles (GAAP) and the standards set by the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA).
2. An independent public accounting firm will perform an annual audit. The auditor's opinion will be included with the City's published Comprehensive Annual Financial Report (CAFR).
3. The City's CAFR will be submitted to the GFOA Certification of Achievement for Excellence in Financial reporting Program. The financial report should be in conformity with GAAP, demonstrate compliance with finance related legal and contractual provisions provide full disclosure of all financial activities and related matters, and minimize ambiguities and potentials for misleading inference.
4. The City's budget will be submitted to the GFOA Distinguished Budget Presentation Program. The budget should satisfy criteria as a financial and programmatic policy document, as a comprehensive financial plan, as an operations guide for all organizational units and as a communications device for all significant budgetary issues, trends, and resources.
5. The Finance Department will also prepare, in conjunction with the release of the CAFR, the "Popular Annual Financial Report" which is a condensed and easy to read version of the annual CAFR. This document will be provided to residents so that they can easily understand how the City is using their funds. This document will also be submitted to the GFOA committee in order to receive their award.

6. Financial systems will be maintained to monitor revenues, expenditures, and program performance on an ongoing basis.
7. Monthly budget reports shall be prepared and presented to the City Council on a timely basis.
8. The Finance Department will also prepare, in conjunction with the release of the CAFR, an annual “Financial Trends Report” and presented to the City Council on a timely basis.

Prepare and present regular reports that analyze, evaluate, and forecast the City’s financial performance and economic conditions.



## Financial Summaries Funds and Details of Principal Funds, FY 14-15 Budget

<u>Fund</u>	<u>Page</u>
Consolidated Budget Summary – All Funds	Page 72
General Fund Summary	Page 73
Transportation Fund Summary	Page 74
Development Services Fund Summary	Page 75
Capital Projects Fund Summary	Page 76
Stormwater Utility Fund Summary	Page 77
Debt Service Fund Summary	Page 78
All Funds Summary & Year to Year Changes by Revenue Class	Page 79
All Funds Summary & Year to Year Change by Expenditure Class	Page 80
All Funds Expenditure Summary & Year to Year Changes by Department	Page 81
General Fund Revenue Summary and Year to Year Changes	Page 82
General Fund Expenditure Summary and Year to Year Changes	Page 83
Transportation Fund Revenue Summary and Year to Year Change	Page 84
Transportation Fund Expenditure Summary and Year to Year Changes	Page 85
Development Services Fund Revenue/Expenditure Summary and Year to Year Changes	Page 86

## Consolidated Budget Summary - FY 14-15

### Summary of Funds

Description	Recommended Budget
<b>BEGINNING FUND BALANCE - ALL FUNDS</b>	<b>\$60,500,000</b>
 REVENUES - ALL FUNDS	
Property Taxes	\$27,854,547
Franchise Fees	3,048,633
Intergovernmental Revenue	15,935,250
Utility Taxes	10,398,000
Fuel Taxes	2,089,517
Fines and Forfeitures	4,017,751
Public Safety	1,051,431
Licenses & Permits & Fees	7,484,192
Miscellaneous	3,621,097
Culture & Recreation	4,826,364
Grants and Loans	1,359,851
Interfund Transfers	13,936,975
<b>TOTAL REVENUES - ALL FUNDS</b>	<b>95,623,607</b>
 <b>TOTAL RESOURCES AVAILABLE - ALL FUNDS</b>	 <b><u>\$156,123,607</u></b>
 EXPENDITURES - ALL FUNDS	
Operating Expenditures	
Personal Services	\$47,883,194
Operating Expenses	\$16,962,325
Debt Service Payment	\$12,535,420
Interfund Transfers	\$13,936,975
Non-Operating Expenses	\$1,174,956
Total Operating Expenditures - All Funds	92,492,869
Capital Outlay	\$63,630,738
<b>TOTAL EXPENDITURES - ALL FUNDS</b>	<b><u>\$156,123,607</u></b>
	 <b><u>\$0</u></b>

## Summary of Funds

### General Fund Budget Summary - FY 14-15

Description	Recommended Budget
<b>BEGINNING FUND BALANCE</b>	<b>\$0</b>
REVENUES - GENERAL FUND	
Property Taxes	\$23,600,098
Franchise Fees	3,048,633
Intergovernmental Revenue	11,294,475
Utility Taxes	10,398,000
Fines and Forfeitures	4,017,751
Public Safety	1,051,431
Licenses & Permits	1,956,301
Miscellaneous	2,173,925
Culture & Recreation	4,826,364
Interfund Transfers	1,019,630
<b>TOTAL REVENUES</b>	<b>63,386,608</b>
<b>TOTAL RESOURCES AVAILABLE - GENERAL FUND</b>	<b>63,386,608</b>
EXPENDITURES	
Legislative	\$537,770
City Manager	1,139,734
Media & Special Events	3,947,922
City Clerk	769,075
Finance	708,329
Human Resources	986,924
City Attorney	558,694
Planning Division	118,801
Crossing Guards	526,010
Police	31,755,136
Code Enforcement	1,427,756
Parks & Recreation	5,630,751
Purchasing	303,809
Information Technology	2,297,083
Fleet	1,949,171
City Hall Maintenance	798,791
Non-Departmental	9,930,852
<b>TOTAL EXPENDITURES</b>	<b>63,386,608</b>
<b>ENDING GENERAL FUND BALANCE</b>	<b>\$0</b>



## Summary of Funds Transportation Fund Budget Summary FY 14-15

Description	Recommended Budget
<b>BEGINNING FUND BALANCE</b>	<b>\$0</b>
REVENUES - TRANSPORTATION FUND	
Fuel Taxes	\$2,089,517
Citizens Independent Transportation Trust	3,625,000
State Revenue Sharing	1,015,775
Grants	0
Permits	62,000
Miscellaneous Revenues/Interest	256,501
Interfund Transfers	182,061
<b>TOTAL REVENUES</b>	<b>\$7,230,853</b>
<b>TOTAL FUNDS AVAILABLE - TRANSPORTATION FUND</b>	<b>\$7,230,853</b>
EXPENDITURES - TRANSPORTATION FUND	
Administration Division	\$1,535,616
Keep Miami Gardens Beautiful Division	167,617
Streets Division	2,029,312
CITT - Capital Improvements	2,665,442
CITT - Transit	832,866
CITT - Settlement	0
<b>TOTAL EXPENDITURES</b>	<b>\$7,230,853</b>
<b>ENDING TRANSPORTATION FUND BALANCE</b>	<b>\$0</b>

## Summary of Funds Development Services Budget Summary FY 14-15

Description	Recommended Budget
<b>BEGINNING FUND BALANCE</b>	<b>\$0</b>
REVENUES - DEVELOPMENT SERVICES FUND	
Planning & Zoning Fees and Charges	\$0
Building Fees and Charges	1,835,275
Other Revenues	24,200
<b>TOTAL REVENUES</b>	<b>1,859,475</b>
<b>TOTAL FUNDS AVAILABLE - DEVELOPMENT SERVICES FUND</b>	<b>\$1,859,475</b>
EXPENDITURES - DEVELOPMENT SERVICES FUND	
Planning & Zoning Department	\$0
Building Department	1,859,475
<b>TOTAL EXPENDITURES</b>	<b>\$1,859,475</b>
<b>ENDING DEVELOPMENT SERVICES FUND BALANCE</b>	<b>\$0</b>

## Summary of Funds Capital Projects Fund Budget Summary FY 14-15

Description	Recommended Budget
<b>BEGINNING CAPITAL PROJECT FUND BALANCE</b>	<b>\$60,000,000</b>
REVENUES - CIP FUND	
From General Fund	\$5,123,069
Loan	0
From Transportation Fund	0
Grants	0
Build American Bonds Rebate	1,162,471
Interest and Miscellaneous	0
<b>TOTAL REVENUES</b>	<b>6,285,540</b>
<b>TOTAL FUNDS AVAILABLE - CAPITAL PROJECTS FUND</b>	<b>\$66,285,540</b>
EXPENDITURES - CIP FUND	
Capital Projects Operations	\$455,711
Capital Projects	60,000,000
Interfund Transfers	5,829,829
Reserves	0
<b>TOTAL EXPENDITURES</b>	<b>\$66,285,540</b>
<b>ENDING CAPITAL PROJECTS FUND BALANCE</b>	<b>\$0</b>

## Summary of Funds Stormwater Utility Fund Budget Summary FY 14-15

Description	Recommended Budget
<b>BEGINNING STORMWATER FUND BALANCE</b>	<b>\$0</b>
REVENUES - STORMWATER FUND	
Stormwater Assessments	\$3,578,616
Permits	52,000
Grant	360,000
Miscellaneous	4,000
<b>TOTAL REVENUES</b>	<b>3,994,616</b>
<b>TOTAL FUNDS AVAILABLE - STORMWATER FUND</b>	<b>\$3,994,616</b>
EXPENDITURES - STORMWATER FUND	
Operating Expenditures	\$1,837,012
Capital Outlay	\$1,089,890
Debt Service	\$632,400
Non-Operating Expenditures	\$435,314
<b>TOTAL EXPENDITURES</b>	<b>\$3,994,616</b>
<b>ENDING STORMWATER FUND BALANCE</b>	<b>\$0</b>

**Summary of Funds  
CDBG Fund  
Fund Budget Summary  
FY 14-15**

<b>Description</b>	<b>Recommended Budget</b>
<b>BEGINNING CDBG FUND BALANCE</b>	<b>\$0</b>
REVENUES - CDBG FUND	
Grants	\$999,851
Miscellaneous	\$0
<b>TOTAL REVENUES</b>	<b>\$999,851</b>
<b>TOTAL FUNDS AVAILABLE - CDBG FUND</b>	<b>\$999,851</b>
EXPENDITURES - CDBG	
CDBG	\$999,851
<b>TOTAL EXPENDITURES</b>	<b>\$999,851</b>
<b>ENDING CDBG FUND BALANCE</b>	<b>\$0</b>

**Summary of Funds  
Debt Service Fund  
Fund Budget Summary  
FY 14-15**

<b>Description</b>	<b>Recommended Budget</b>
<b>BEGINNING DEBT SERVICE FUND BALANCE</b>	<b>\$500,000</b>
REVENUES - DEBT SERVICE FUND	
Ad Valorem Taxes	\$4,254,448
Transfers In	\$7,612,216
<b>TOTAL REVENUES</b>	<b>11,866,664</b>
<b>TOTAL FUNDS AVAILABLE - DEBT SERVICE FUND</b>	<b>\$12,366,664</b>
EXPENDITURES - DEBT SERVICE FUND	
Principal and Interest payments	\$12,157,941
Reserve for Debt Service	208,723
<b>TOTAL EXPENDITURES</b>	<b>\$12,366,664</b>
<b>ENDING DEBT SERVICE FUND BALANCE</b>	<b>\$0</b>

## All Operating Funds' Summaries and Year to Year Revenue Changes by Revenue Class

This table offers an overview of all major operating revenues that comprise the City's financial accounting system. The summary below shows all funds.

**Table: All Funds Summary with Year-to-Year Changes by Revenue Source**

All Funds Revenues	Estimated FY 14	Budget FY 15	Per Cent Change	Note
Taxes	\$21,895,932	\$27,854,547	27.21%	(1)
Franchise Fees	\$3,371,521	\$3,048,633	-9.58%	
Intergovernmental Revenue	\$16,143,170	\$15,935,250	-1.29%	
Utility Taxes	\$10,589,592	\$10,398,000	-1.81%	
Fuel Taxes	\$2,151,011	\$2,089,517	-2.86%	
Fines and Forfeitures	\$4,184,826	\$4,017,751	-3.99%	(2)
Licenses & Permits	\$7,745,375	\$7,484,192	-3.37%	
Miscellaneous/Loans	\$63,601,569	\$3,621,097	-94.31%	(3)
Charges for Services	\$5,889,733	\$5,877,795	-0.20%	
Grants	\$3,673,742	\$1,359,851	-62.98%	(4)
Interfund Transfers	\$15,479,624	\$13,936,975	-9.97%	
Appropriated Fund Balance	\$12,232,171	\$60,500,000	394.60%	(5)
<b>TOTAL OPERATING REVENUES</b>	<b>\$166,958,266</b>	<b>\$156,123,607</b>	<b>-6%</b>	

(1) Increase is attributed to the taxes levied for the General Obligation Bond and to keep the same millage as FY 2014

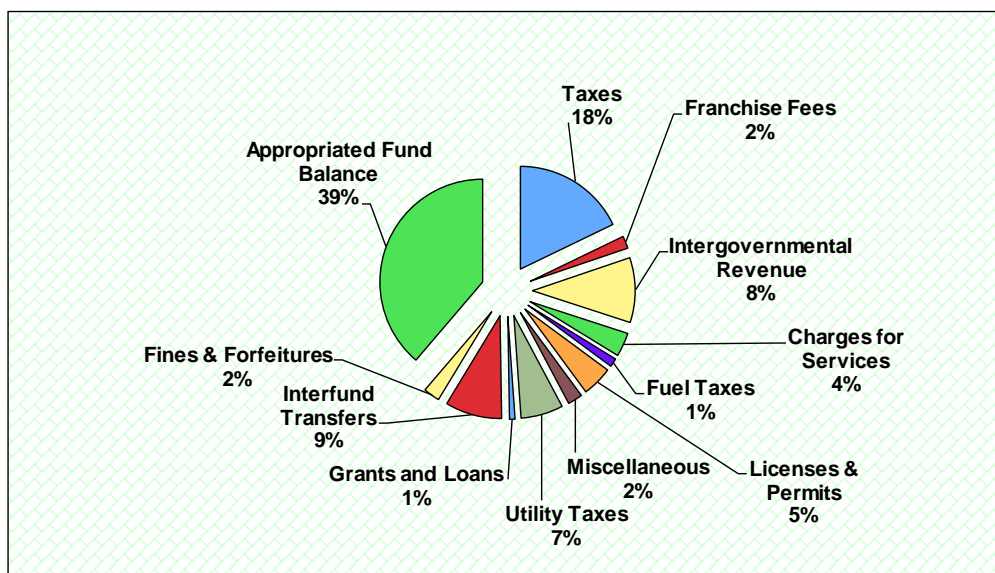
(2) Red light camera and Code Enforcement Fines

(3) \$60,000,000 General Obligaion Bond issued in FY 2014 for Parks improvements and Crime Prevention Equipment

(4) Road projects and County GO Bond projects received in FY 2014, not to be received in FY 2015

(5) Utilize City's General Obligation Bond proceeds for projects in FY 2015

**Chart: Fund Revenues as a Percentage of total City's Revenue**





## All Funds Summary and Year to Year Changes by Expenditure Class

This table offers an overview of all operating expenditures for each class of expenditure that comprises the City's financial accounting system. The system consists of seven funds: The General Fund, The Transportation Fund, The Development Services Fund, The Capital Projects Fund, The Community Development Block Grant Fund, The Stormwater Utility Fund and the Debt Service Fund.

**Table: All Funds Summary with Year-to-Year Changes by Expenditure Class**

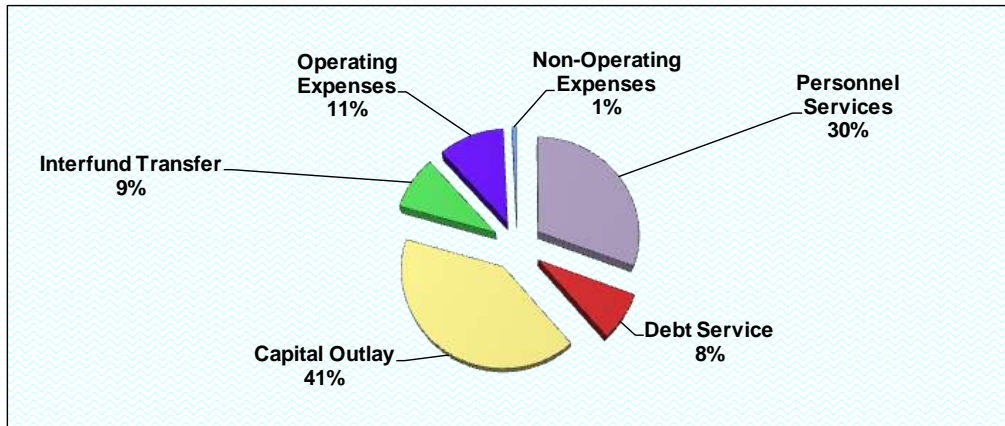
All Funds Expenditures	Estimated FY 14	Budget FY 15	Per Cent Change	Note
Personnel Services	\$48,009,294	\$47,883,194	-0.26%	
Operating Expenses	\$17,028,072	\$16,962,325	-0.39%	
Capital Outlay	\$18,348,744	\$63,630,738	246.79%	(1)
Interfund Transfer	\$15,479,624	\$13,936,975	-9.97%	
Debt Service	\$10,312,257	\$12,535,420	21.56%	(2)
Non-Operating Expenses	\$488,554	\$1,174,956	140.50%	(3)
<b>TOTAL OPERATING EXPENDITURES</b>	<b>\$109,666,545</b>	<b>\$156,123,607</b>	<b>42.36%</b>	

(1) Completion of City Hall project in FY 2014

(2) Payoff two City Hall taxable bonds and add the \$60M GO bond debt service

(3) Includes reserve in General Fund, 3 cents gas tax and Debt Service Fund

**Chart: All Funds Expenditures by Expenditure Class**



## All Funds Expenditure Summary and Year to Year Changes by Department

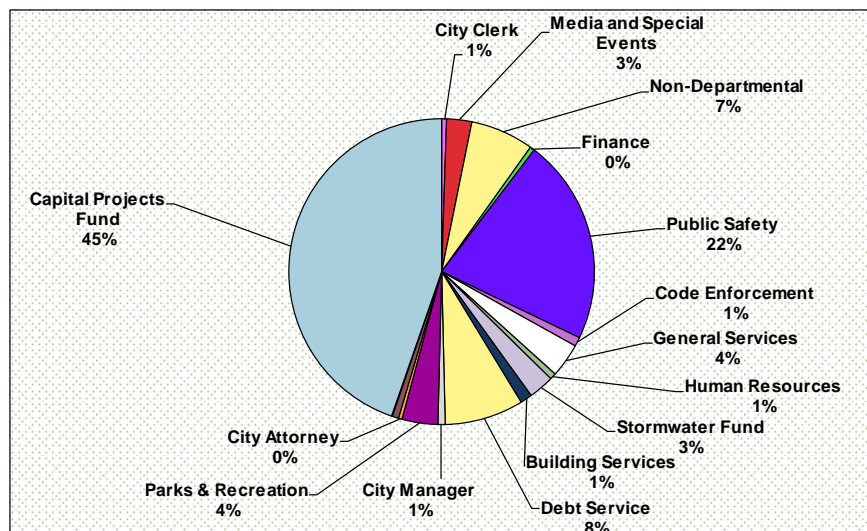
This table offers an overview of all operating expenditures by each operating department that within the City's financial accounting system.

**Table: All Funds Expenditures by Department with Year-to-Year Changes**

All Funds Expenditures	Estimated FY 14	Budget FY 15	Per Cent Change	Note
Office of the Mayor/Legislative	\$614,408	\$537,770	-12.47%	(1)
City Manager	\$1,268,100	\$1,139,734	-10.12%	(2)
Media and Special Events	\$3,177,144	\$3,947,922	24.26%	(3)
City Clerk	\$826,252	\$769,075	-6.92%	(4)
Finance	\$671,349	\$708,329	5.51%	(5)
Human Resources	\$965,499	\$986,924	2.22%	
City Attorney	\$565,611	\$558,694	-1.22%	
Public Safety	\$32,929,177	\$32,281,146	-1.97%	(6)
Code Enforcement	\$1,377,842	\$1,427,756	3.62%	
Parks & Recreation	\$5,490,918	\$5,630,751	2.55%	
General Services	\$4,894,473	\$5,348,853	9.28%	(7)
Non-Departmental	\$12,185,315	\$9,930,852	-18.50%	(8)
Public Works	\$7,420,664	\$7,230,853	-2.56%	
Planning & Zoning	\$415,579	\$118,801	-71.41%	(9)
Building Services	\$1,800,712	\$1,859,475	3.26%	
Debt Service	\$10,003,735	\$12,366,664	23.62%	(10)
CDBG	\$1,014,829	\$999,851		(10)
Capital Projects Fund	\$20,213,008	\$66,285,540	227.94%	(11)
Stormwater Utility Fund	\$3,831,932	\$3,994,616	4.25%	(12)
<b>TOTAL OPERATING REVENUES</b>	<b>\$109,666,546</b>	<b>\$156,123,607</b>	<b>42.36%</b>	

- (1) Reduction in Aids to non-profit organization
- (2) Lower salary for City Manager and Assistant City Manager.
- (3) Increase budget for Jazz in the Gardens
- (4) GO Bond ballot in FY 2014
- (5) Need to engage service for GASB 45 actuarial calculation and City Hall bond arbitrage reporting in FY 2015
- (6) Reduction in OT expenses, elimination of School Crossing Guard Superintendent position
- (7) Includes City Hall maintenance costs
- (8) No rental costs for City Hall and lower transfer to Debt Service Fund due to payoff two taxable bonds
- (9) Contract services out, only 1 employee will be retained.
- (10) Add \$60M G.O. Bond debt service and elimination of the two taxable bonds
- (11) General Obligation Bond projects for parks improvements and crime prevention equipment
- (12) State Grant funding of certain capital improvement projects

**Chart: All Funds Expenditures by Departments**



## General Fund Revenue Summary and Year to Year Changes

This table offers an overview of the General Fund's revenues. The General Fund is the principal accounting entity for the City operating departments.

**Table: General Fund Revenues by Type with Year-to-Year Changes**

All Funds Revenues	Estimated FY 14	Budget FY 15	Per Cent Change	Note
Taxes	\$21,895,932	\$23,600,098	8%	(1)
Franchise Fees	\$3,371,521	\$3,048,633	-10%	
Intergovernmental Revenue	\$11,411,243	\$11,294,475	-1%	
Utility Taxes	\$10,589,592	\$10,398,000	-2%	
Fines and Forfeitures	\$4,184,826	\$4,017,751	-4%	(2)
Public Safety	\$1,163,108	\$1,051,431	-10%	(3)
Licenses, Fees & Permits	\$1,862,176	\$1,956,301	5%	
Miscellaneous	\$2,211,706	\$2,173,925	-2%	(4)
Culture & Recreation	\$4,726,625	\$4,826,364	2%	
Interfund Transfers	\$1,349,358	\$1,019,630	-24%	(5)
<b>TOTAL OPERATING REVENUES</b>	<b>\$62,766,087</b>	<b>\$63,386,608</b>	<b>0.99%</b>	

(1) Increase is attributed to levying the taxes as the same millage rate for FY 2014 instead of roll-back rate

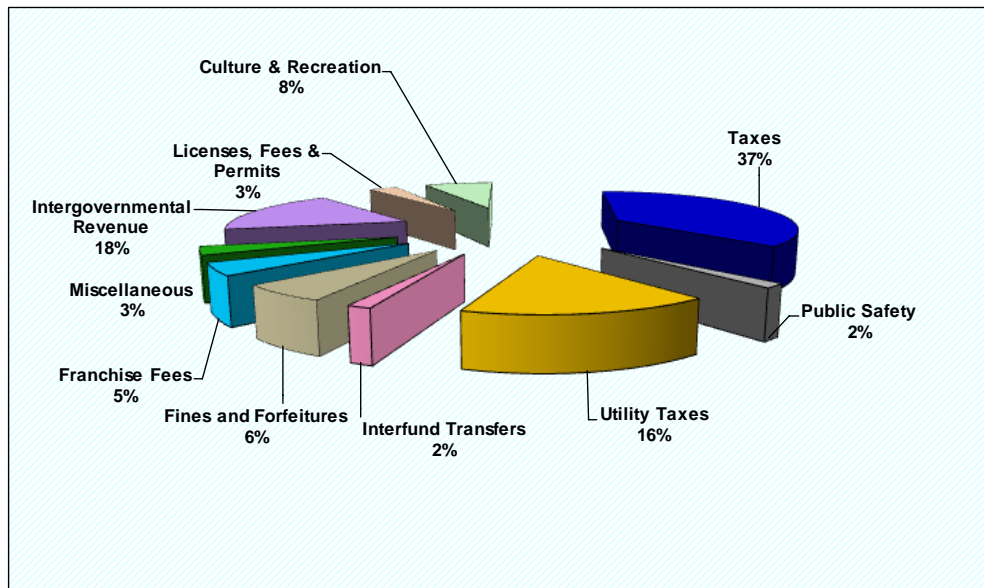
(2) Red light camera fines and code enforcement fines

(3) Reduction in Byrne Grant

(4) Foreclosure registry as revenue starts dropping in mid year of FY 2014;

(5) Building Division is reclassified to General Fund in FY 2015, therefore there is no interfund transfer

**Chart: Percentage of General Fund Revenues by Type**



## General Fund Expenditures Summary and Year to Year Changes

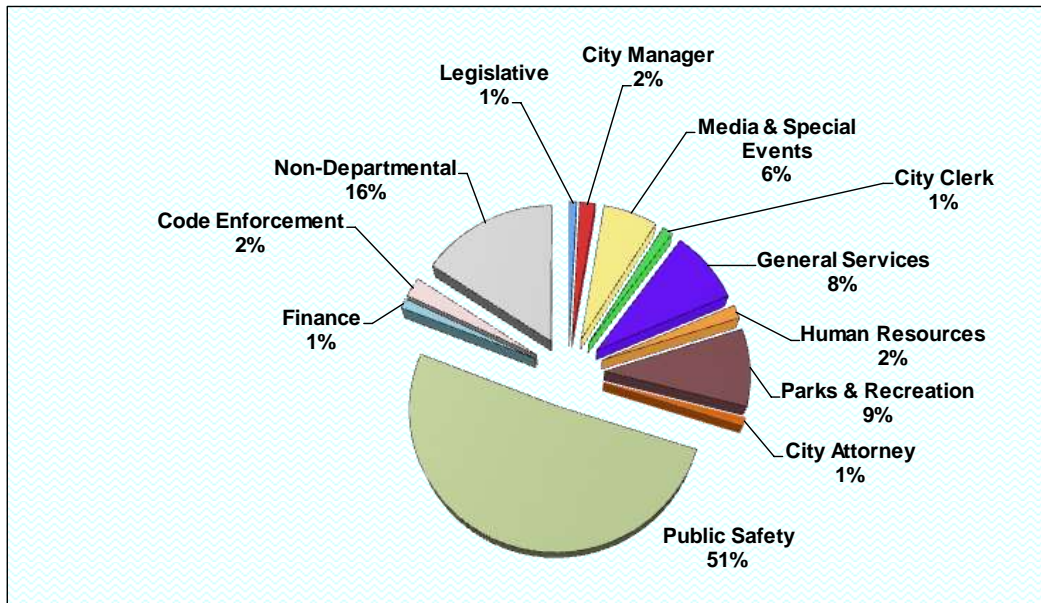
This table offers an overview of the General Fund's expenditures. The General Fund is the principal accounting entity for the City operating departments.

**Table: General Fund Expenditures by Division with Year-to-Year Changes**

All Funds Expenditures	Estimated FY 14	Budget FY 15	Per Cent Change	Note
Office of the Mayor/Legislative	\$614,408	\$537,770	-12%	(1)
City Manager	\$1,268,100	\$1,139,734	-10%	(2)
Media & Special Events	\$3,177,144	\$3,947,922	24%	(3)
City Clerk	\$826,252	\$769,075	-7%	(4)
Finance	\$671,349	\$708,329	6%	(5)
Human Resources	\$965,499	\$986,924	2%	
City Attorney	\$565,611	\$558,694	-1%	
Planning	\$0	\$118,801	100%	(6)
Public Safety	\$32,929,177	\$32,281,146	-2%	
Code Enforcement	\$1,377,842	\$1,427,756	4%	
Parks & Recreation	\$5,490,918	\$5,630,751	3%	
General Services	\$4,894,473	\$5,348,853	9%	(7)
Non-Departmental	\$12,185,315	\$9,930,852	-19%	(8)
<b>TOTAL OPERATING EXPENDITURES</b>	<b>\$64,966,087</b>	<b>\$63,386,608</b>	<b>-2%</b>	

- (1) Reduction in Aids to non-profit organization
- (2) Lower salary for City Manager and Assistant City Manager.
- (3) Increase budget for Jazz in the Gardens
- (4) GO Bond ballot in FY 2014
- (5) Need to engage service for GASB 45 actuarial calculation and City Hall bond arbitrage reporting in FY 2015
- (6) Expenses in FY 2014 is under Development Services Fund
- (7) Includes City Hall maintenance costs
- (8) No rental costs for City Hall and lower transfer to Debt Service Fund as projection of two taxable bonds be paid off when the land are sold prior to year-end

**Chart: General Fund Expenditures by Division**



## Transportation Fund Revenue Summary and Year to Year Changes

This table offers an overview of all Transportation Fund revenues. The Transportation fund accounts for expenditures having to do with the City's transportation network including transit, roads, right-of-way and associated expenditures.

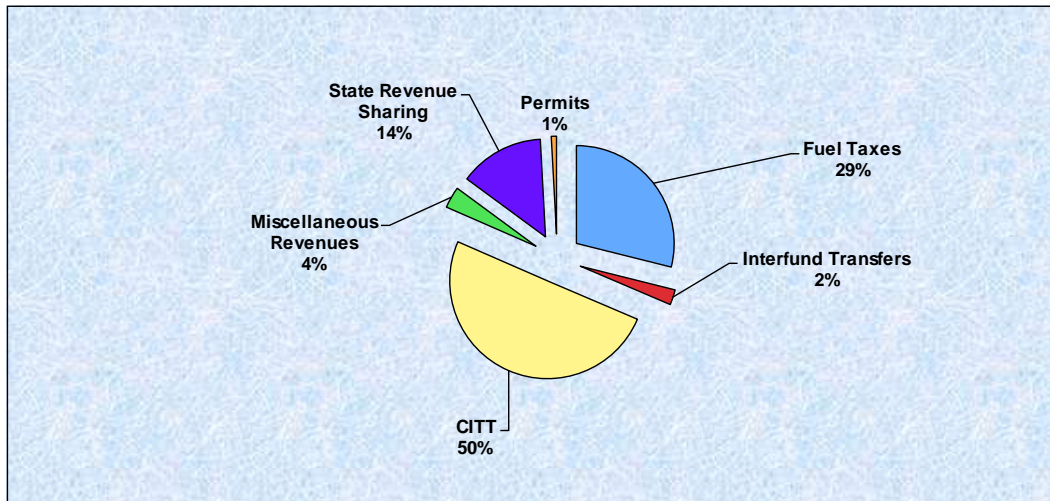
**Table: Transportation Fund Revenues by Source with Year-to-Year Changes**

All Funds Revenues	Estimated FY 14	Budget FY 15	Per Cent Change	Note
Fuel Taxes	\$2,151,011	\$2,089,517	-3%	
State Revenue Sharing	\$1,011,927	\$1,015,775	0%	
Citizens Independent Transportation Trust	\$3,720,000	\$3,625,000	-3%	
Grants	\$58,415	\$0	-100%	(1)
Permits	\$72,057	\$62,000	-14%	
Miscellaneous Revenues	\$160,778	\$256,501	60%	(2)
Interfund Transfers	\$180,258	\$182,061	1%	
Fund Balance	\$0	\$0	100%	
<b>TOTAL OPERATING REVENUES</b>	<b>\$7,354,446</b>	<b>\$7,230,853</b>	<b>41.55%</b>	

(1) No grant expecting currently for FY 2015

(2) FY 2014 received developer contributions. While in FY 2015 no developer contributions is expected, however, City has introduced a new revenue source for bus benches advertisements

**Chart: Transportation Revenues by Source**



## Transportation Fund Expenditure Summary and Year to Year Changes

This table offers an overview of all Transportation Fund revenues. The Transportation fund accounts for expenditures having to do with the City's transportation network including transit, roads, right-of-way and associated areas.

**Table: Transportation Fund Expenditures by Division with Year-to-Year % Change**

All Funds Expenditures	Estimated FY 14	Budget FY 15	Per Cent Change	Note
Administration Division	\$1,340,839	\$1,535,616	15%	(1)
Keep Miami Gardens Beautiful	\$153,136	\$167,617	9%	(2)
Streets Division	\$1,963,275	\$2,029,312	3%	
CITT - Transportation Capital Projects	\$3,439,197	\$2,665,442	-22%	(3)
CITT - Transit	\$524,217	\$832,866	59%	(4)
<b>TOTAL OPERATING REVENUES</b>	<b>\$7,420,664</b>	<b>\$7,230,853</b>	<b>-3%</b>	

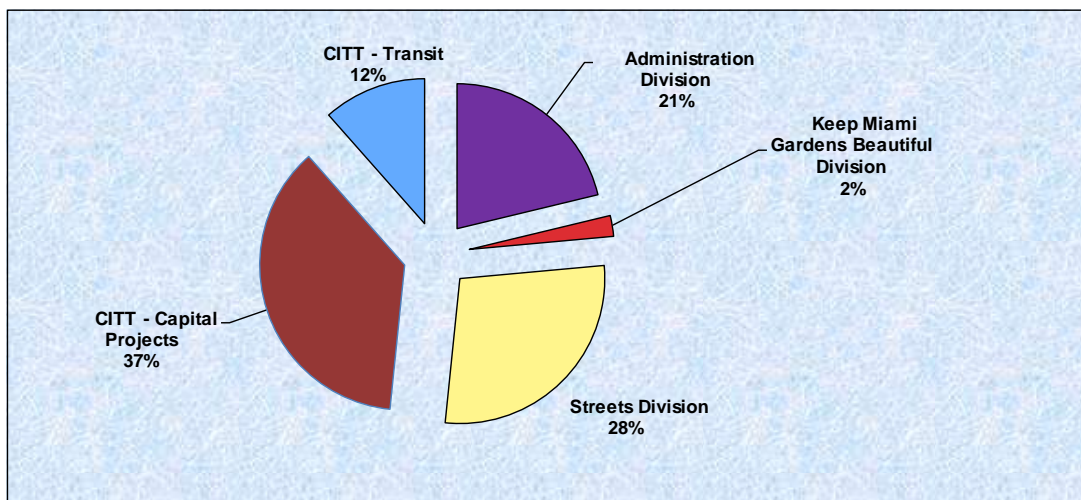
(1) Projected revenue for bus bench advertising will establish as contingency for the Transportation Fund

(2) Increase in road materials for beautification projects; establish contingency derived from bus benches advertising revenue

(3) Reduce costs to provide funding for the first year transit program

(4) First year transit program in operation

**Chart: Transportation Fund Expenditures by Division**



## Development Services Fund Revenue Summary and Year to Year Changes

This table offers an overview of the Development Services Fund's Expenditures. This fund accounts for those revenues and expenditures that involve the physical development of land in the City.

**Table: Development Services Fund Revenues by Source with Year-to Year**

All Funds Revenues	Estimated FY 14	Budget FY 15	Per Cent Change	Note
Planning & Zoning Fees	\$276,915	\$0	-100%	(1)
Building Permits and Charges	\$1,992,678	\$1,835,275	-8%	
Miscellaneous	\$55,048	\$24,200	-56%	(2)
<b>TOTAL OPERATING REVENUES</b>	<b>\$2,324,641</b>	<b>\$1,859,475</b>	<b>-20%</b>	

(1) Planning operations transfer to General Fund in accordance with Florida Statute

(2) Cost recovery fees associated with planning and zoning is moved to General Fund in FY 2015

## Development Services Fund Expenditure Summary and Year to Year Changes

This table offers an overview of the Development Services Fund's Expenditures. This fund accounts for those revenues and expenditures that involve the physical development of land in the City to include planning and construction.

**Table: Development Services Fund Expenditures by Division**

All Funds Expenditures	Estimated FY 14	Budget FY 15	Per Cent Change	Note
Planning & Zoning Department	\$415,579	\$0	-100%	(1)
Building Department	\$1,800,712	\$1,859,475	3%	
<b>TOTAL OPERATING REVENUES</b>	<b>\$2,216,291</b>	<b>\$1,859,475</b>	<b>-16%</b>	

(1) Division moved to General Fund

## Summary of All Funds Three Years Data FY 2013 – FY 2015

	FY 2013 Actual	FY 2014 Estimated	FY 2015 Budget
<b>BEGINNING FUND BALANCE - ALL FUNDS</b>			<b>\$60,500,000</b>
<b>REVENUES - ALL FUNDS</b>			
Property Taxes	\$19,653,871	\$21,895,932	\$27,854,547
Franchise Fees	4,239,521	3,371,521	3,048,633
Intergovernmental Revenue	10,290,165	16,143,170	15,935,250
Utility Taxes	15,321,083	10,589,592	10,398,000
Fuel Taxes	2,100,658	2,151,011	2,089,517
Fines and Forfeitures	4,652,485	4,184,826	4,017,751
Public Safety	1,183,153	1,163,108	1,051,431
Licenses & Permits & Fees	7,004,339	7,745,375	7,484,192
Miscellaneous	4,885,304	3,601,569	3,621,097
Culture & Recreation	4,610,239	4,726,625	4,826,364
Grants and Loans	10,338,158	63,673,742	1,359,851
Interfund Transfers	14,822,384	15,479,624	13,936,975
<b>TOTAL REVENUES - ALL FUNDS</b>	<b>99,101,360</b>	<b>154,726,095</b>	<b>95,623,607</b>
<b>TOTAL RESOURCES AVAILABLE - ALL FUNDS</b>	<b>\$99,101,360</b>	<b>\$154,726,095</b>	<b>\$156,123,607</b>
<b>EXPENDITURES - ALL FUNDS</b>			
Legislative	\$429,442	\$614,408	\$537,770
City Manager	1,168,701	1,268,100	1,139,734
Media & Special Events	3,147,062	3,177,144	3,947,922
City Clerk	579,480	826,252	769,075
Finance	578,255	671,349	708,329
Human Resources	830,561	965,499	986,924
City Attorney	512,160	565,611	558,694
School Crossing Guard	585,382	607,689	526,010
Police	31,595,841	32,321,489	31,755,136
Code Enforcement	1,430,483	1,377,842	1,427,756
Parks & Recreation	5,666,501	5,490,918	5,630,751
Purchasing	313,583	291,719	303,809
Information Technology	2,302,878	2,344,921	2,297,083
Fleet	4,852,240	2,257,833	1,949,171
City Hall Maintenance	0	0	798,791
Non-Departmental	12,231,139	12,185,315	9,930,852
Public Works	7,193,076	7,420,664	7,230,853
Planning	662,446	415,579	118,801
Building	1,777,460	1,800,712	1,859,475
Capital Projects	37,344,388	20,213,008	66,285,540
Community Development	2,547,059	1,014,829	999,851
Stormwater Operations	3,317,340	3,831,932	3,994,616
Debt Service	10,506,967	10,003,735	12,366,664
<b>TOTAL EXPENDITURES - ALL FUNDS</b>	<b>\$129,572,444</b>	<b>\$109,666,546</b>	<b>\$156,123,607</b>